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International Affairs: Correction—Mercosur, EU on WTO

PY1406171196 Sao Paulo AGENCIA ESTADO in Portuguese 0020 GMT 12 Jun 96

[Corrected version of report by Renata de Freitas; rewording first paragraph, first sentence of initial FBIS version filed as PY1306152996]

[FBIS Translated Text] London, 11 Jun (AE) — The Mercosur [Common Market of the South] and the EU are working together to assume a concurrent position during the first summit of the WTO that will take place by the end of the year in Singapore. Foreign Minister Luiz Felipe Lampreia today met in Brussels with representatives of the European Commission to identify disagreements.

"The main agreement between the EU and the Mercosur is to defend multilateralism against the U.S. veto to defend unilateral measures," said Brazilian Ambassador to the EU in Brussels Jorio Dauster. According to him, there is a natural agreement between the two economic blocs.

Minister Lampreia met with British commissary Leon Brittan, sponsor of the multilateral code of investments, which is a proposal that could do away with the need to sign bilateral agreements to protect capital. "The proposal envisages the creation of universal rules instead of signing hundreds of bilateral agreements," Dauster said. Brazil alone has signed bilateral agreements with 50 countries. "On this subject, Brazil has a considerably progressive approach which is: Why not discuss the proposal?" he said.

The main point of disagreement between the EU and the Mercosur is the social clause. This subject will probably be the most controversial one during the WTO negotiations in Singapore. The 15 member countries agree that it is necessary to make progress toward the protection of the rights of the workers and to prevent the exploitation of child labor. Brazil, however, does not even want to discuss the subject, fearing the creation of a new non-tariff barrier.

There are also some proposals to further reduce the trade tariffs before the 2001 deadline established by the GATT Uruguay Round of Talks. "Brazil, as well as other developing countries, believes it is too early for a new tariff reduction," Dauster said.

During the meetings he held in Brussels, Minister Lampreia again expressed that the Mercosur wants further opening for its exports. "The Mercosur has been the most dynamic market for the EU in the past three years," said Ambassador Dauster. Brazilian exports to the EU historically amounted to $12 billion and imports amounted to $6 billion. Nowadays, they are practically the same.

According to Dauster, Brazil can insist on this point now because it gained authority to do so after having opened its economy. "Now we can say: Our system is transparent," he said.

Cuba

Cuba: Official Withdrawal of Mexican Companies Denied

PA1706192396 Mexico City NOTIMEX in Spanish 1757 GMT 13 Jun 96

[By Gerardo Cardenas]

[FBIS Translated Text] Madrid, 13 Jun (NOTIMEX) — Foreign Investment and Economic Cooperation Minister Ibrahim Ferradaz told NOTIMEX today that Cuba denies having received official notification of withdrawal from Cuba of Mexican Cement Company [Cemex] or any other Mexican company, because of the Helms-Burton law.

"Official notification of withdrawal by Cemex, or any other Mexican company, has not reached my office to date," the Cuban official stated during an interview.

The Cuban Government is maintaining conversations with all foreign companies that have invested, or have economic ties with the island, to counsel them regarding the effects of the Helms-Burton law, which extends the U.S. embargo of Cuba to third countries, Ferradaz said.

"However, the law is nothing new, it was known ahead of time. Investors knew what could happen because we have experience a blockade for 35 years. Before, it was the Torricelli law. Now it is the Helms-Burton law," Ferradaz indicated.

The Helms-Burton law "is a problem. Our position regarding the law is to join forces with our partners; give them security, support, counsel, and insist, outside Cuba, in an international rejection" of its implementation, Ferradaz said.

Under the worst circumstances, the Cuban Government will not resent the withdrawal of any company, because, like Cuba, it will be the victim of the Helms-Burton law," Ferradaz emphasized.

The Helms-Burton law was promulgated by U.S. President William Clinton on 12 March following the downing by a Cuban attack jet of two U.S. light aircraft belonging to the anti-Castro "Brothers to the Rescue" organization.

The incident occurred on 24 February and has been subjected to arbitration by the International Civil Aviation Organization (ICAO) as requested by the United Nations, because Cuba claims the incident occurred within its airspace and the United States claims it happened in international waters.

Ferradaz said that "it should be emphasized that the first victims of the Helms-Burton law are U.S. businessmen who want to invest in Cuba."

"Up till now, none of the more than 200 joint ventures with foreign companies has been officially canceled, and the majority of future business ventures are still proceeding as planned," Ferradaz said.

According to Ferradaz, neither Cemex, nor any other companies, which have expressed concern for their investments and businesses in the island (including the Domos Group and Vitro) have severed their ties with Cuba, or expressed to the Cuban Government their desire to withdraw from Cuba.

"The foreign companies are concerned. A tense, difficult, situation exists. However, there is a shared indignation against those who have created this situation," Ferradaz said.

Mexico, the most important foreign investor in Cuba, and Canada, the second most important investor, "have demonstrated a very firm position by their governments and companies against the Helms-Burton law," Ferradaz emphasized.

Mexico and Canada "have also brought up this opposition within the NAFTA, signed with the United States, because of Mexico's and Canada's continuing interest in investing in Cuba," Ferradaz added.

Regarding legal reprisals being studied by Mexico, Canada, and the United Kingdom, Ferradaz pointed out that "Cuba views everything that legally defends an investor as something significant."

Cuba: Report on Complaint to ICAO on Violation 'Threats'

PA1706201996 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 Jun 96

[From the "NTV" newscast]

[FBIS Translated Text] At the International Civil Aviation Organization [ICAO], Cuba has denounced threats of new incursions of our airspace by a counterrevolutionary organization that is based in Florida, in the United States, and has asked the ICAO to act with determination and firmness to stop it.

Division General Rogelio Acevedo, president of the Cuban Civil Aeronautics Institute, presented the complaint in a letter to the top directorate of this international organization.

During a news conference held on 11 June in Miami, Florida, the counterrevolutionary group called Democracy announced that it is organizing a new incursion into Cuban international waters.

In its complaint, Cuba underscored that this plan is a clear threat to, once again, abuse international civil aviation and stated that the ICAO is obligated to act with determination and firmness.

Cuba: Robaina Visits Tanzania, Criticizes Helms-Burton Law

PA1506195696 Havana PRENSA LATINA in Spanish 2228 GMT 13 Jun 96

[FBIS Translated Text] Dar es Salaam, 13 Jun (PL) — Today, Cuban Foreign Minister Roberto Robaina stated that the world's reaction against the economic terrorism law, the Helms-Burton law, has been a political slap in the face for the United States.

Robaina, who started his African continent tour in Tanzania on Thursday, referred to what he called the shamelessness of U.S. policy and said Washington had taken off its mask and shown everyone its true intentions in regard to Havana.

The Cuban official will also visit Mozambique, Botswana, and South Africa during this tour.

In his first statements in African territory, the minister underscored that the attitude of Congressmen Jesse Helms and Dan Burton and their anti-Cuban followers, backed by an administration that is in the midst of its electoral carnival, shows how far "political pornography" can be taken.

The visitor was received by his Tanzanian colleague, Jakaya Kikwete, and Parliament Vice President P. Marmo, and they later met for official talks.

During the talks, Robaina clarified that his country continues to exist, despite the economic aggression, thanks to the resistance and work of his fellow citizens. This effort, he added, has generated a strong message of trust and credibility in the world, which has actually become an important political asset for the Cuban revolution.

The Tanzanian officials at the meeting expressed their country's support for Cuba in the international battles it wages against the U.S. blockade and the politicized and selective manipulation of human rights issues.

Furthermore, the African country confirmed its participation, with the Caribbean island, in issues related to the Third World.

Cuba: Robaina Meets Former Tanzanian President

PA1706041996 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 16 Jun 96

[From the "NTV" Newscast]

[FBIS Translated Text] Former Tanzanian President Julius Nyerere today received Cuban Foreign Minister Roberto Robaina in his private home. The Cuban foreign minister conveyed to Nyerere warm greetings from Cuban President Fidel Castro.

Both leaders commented on the selective and politicized manipulation of underdeveloped countries with regard to human rights and condemned the economic and political blackmail the developed world is trying to impose.

Cuba: Robaina To Deliver Castro Message in Mozambique

PA1706163496 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 17 Jun 96

[FBIS Translated Text] Today, Cuban Foreign Minister Roberto Robaina arrived in Mozambique, the second stop on his trip through Africa. Robaina is carrying a personal message from Cuban President Fidel Castro to Mozambican President Joaquim Chissano.

In his first statements to Mozambican television, our Foreign Minister expressed the need to explain to the African brothers the brutality of the Helms-Burton law, which in its attempt to attack Cuba has also attacked and insulted the world. Robaina pointed out that he is certain that it will be very stimulating for Africans to know that Cuba resisted and will continue to resist.

Today, meanwhile, the South African Foreign Ministry said that Robaina will be received in that country next Wednesday and did not rule out the possibility of a meeting with President Nelson Mandela.

Cuba: PRC Rice-Farming Experts To Teach Cuban Farmers

PA1706123396 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Jun 96

[Report by Miguel Angel de la Guardia Hernandez; from the "Evening Information Review" newscast]

[FBIS Translated Text] The People's Republic of China and Cuba have signed an agreement in Havana by which the great Asian nation will provide Cuba with technical cooperation in the development of rice farming. As a result of this bilateral agreement, a 200-hectare experimental farm will be established in Granma Province, where PRC specialists will impart their rice-farming expertise to Cuban farmers. Rice is a fundamental part of the Cuban diet.

Traditionally, the PRC has exported large quantities of rice to Cuba, and supplying these provisions has always required long and costly shipping, and has meant large expenditures for Cuba.

The purpose of this agreement is to try to help Cuba increase its rice production, and to alleviate the burden annual rice imports on the Cuban economy, which is now experiencing a major crisis.

Vietnam has also provided significant aid to Cuba by sending rice to Cuba, and right now, a national fund-raising drive is taking place in Vietnam to donate 20,000 tons of rice to Cuba.

Last year, the Vietnamese people made a similar contribution, which had great significance in Cuba's struggle against economic adversity, which, to a great extent, is the result of the U.S. blockade of Cuba that has lasted for more than 30 years.

The first PRC investment project in Cuba was approved during the visit of PRC Economic Minister Wu Yi, who met in Havana with President Fidel Castro.

The leader of the Cuban Revolution visited the PRC last year and conducted an extensive tour of that great country, where he strengthened bilateral ties between the two countries, which should lead to significant developments that will benefit the two countries.

The agreement signed today in Havana will lead to the immediate creation of an experimental rice farm, Sinkian, in Granma Province. The agreement will last for three years, a period which can be extended by the agreement of both parties.

Cuba consumes 500,000 tons of rice each year, and produces less that half of that figure. This year, rice production is expected to reach 200,000 tons, doubling the amount of rice produced last year. A ton of rice is priced at $350. Cuba expects to be self-sufficient by the end of this century.

The recent agreement with the PRC will be most helpful in achieving self-sufficiency. The PRC-Cuban agreement on rice production is the first in the Asian country's role as investor in Cuba.

Cuba: First Chinese Enterprise 'Chinatex' Inaugurated

PA1606175396 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 12 Jun 96

[From the "NTV" newscast]

[FBIS Translated Text] Chinatex, the first Chinese enterprise in Cuba, was inaugurated today in the presence of Wu Yi, foreign trade and economic cooperation minister. Wu Yi was accompanied by Cuban Foreign Trade Minister Ricardo Cabrisas, the ambassadors of both nations, as well as Cuban officials and members of the PRC delegation.

During Chinatex's inauguration, its vice president [Li Yan-ling] stated that the opening of Chinatex's branch in Cuba is the result of efforts by both sides. He added that Chinatex will market not only fabrics but also medical supplies and light industry equipment, in addition to other joint products. He added that another goal is to expand and develop trade relations and cooperation with other Caribbean, Central, and South American countries.

Minister Wu Yi spoke with reporters in regard to her impressions and meeting with Cuba's president.

[Begin Wu Yi recording, in Chinese with passage-by-passage translation into Spanish] This visit enables us to bring the trade and economic relations between Cuba and the PRC to a new level. I was very happy to have the opportunity to meet with comrade Fidel Castro. Among the many issues we discussed, we spoke about the friendship between both peoples and how to further develop our economic and trade relations. [end recording]

The PRC delegation will leave tomorrow to visit other Latin American countries.

Cuba: Chinese Foreign Trade Minister Ends Visit, Departs

PA1506034096 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 13 Jun 96

[Report by Nestor Carreno from the "NTV" newscast; remarks by Chinese Foreign Trade Minister Wu Yi in Chinese with simultaneous translation into Spanish — passages within quotation marks are recorded]

[FBIS Translated Text] Commander in Chief Fidel Castro on 11 June attended a reception at the Chinese Embassy on the occasion of the visit by the delegation headed by Chinese Foreign Trade Minister Wu Yi.

Wu Yi departed our country today following two meetings with Commander in Chief Fidel Castro and after concluding the Eighth China-Cuba Intergovernment Joint Commission sessions. The most recent contact between Castro and the minister took place yesterday evening:

[Wu Yi] "We covered many topics, including the friendship between the two peoples and how to develop economic and commercial relations between the two peoples."

Wu Yi and her Cuban colleague, Ricardo Cabrisas, signed six agreements at the end of the Eighth Intergovernment Mixed Commission sessions today. These agreements dealt with, among other aspects, the credit of the Chinese state and 1995 bilateral trade imbalance figures. Also discussed was a $25 million contract to supply diesel fuel and a Cuban-Chinese letter of intent worth between $80 million to $100 million to be carried out this year.

[Cabrisas] "This visit was much awaited by Cuba. As the minister said, this marks the start of her tour of Latin America, her first visit to this area. We are very satisfied with the results."

According to Wu Yi, the corporate entrepreneurs who have accompanied her are interested in and will study the feasibility of investing in rice production, nickel extraction, and the creation of a fertilizer plant in Cuba:

[Wu Yi] "China is willing to continue bolstering long-term, friendly relations with Cuba based on equality and mutual benefit."

A few moments before continuing her first Latin American tour, which includes eight regional countries, Wu Yin was received by Carlos Lage, executive secretary of the Council of Ministers.

Cuba: Spanish Business Group Explores Market Prospects

PA1606173096 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 12 Jun 96

[From the "NTV" newscast]

[FBIS Translated Text] The second business mission of the Valencian community, made up of 30 companies, is visiting Cuba to explore market prospects.

The meeting ensures the continuation of the process of cooperation which began a year ago between the Valencian community and Cuba.

[Begin first unidentified speaker recording] A major difference from last year is that on this occasion they have come to invest. Last year they were focused more on commerce. Although they are still interested in commerce, specifically in exports, they are also seeking to invest. [end recording]

The companies represent the food, construction, basic industry, and light industry sectors. Commercial exchange between Cuba and Valencia increased by 45 percent during the first quarter of 1996, and the investors' interest continues to grow considering the appeal of the Cuban market.

[Begin second unidentified speaker recording] We fully believe that it has potential, significant potential. [end recording]

The opening of the work sessions was attended by Jose Ramon Fernandez, vice president of the Council of Ministers, and Spanish Ambassador Eudaldo Mirapeix. This mission from the Valencian community is the 10th delegation of Spanish businessmen to visit Cuba this year.

Cuba: Castro's Visit to Turkey Said To Cause 'Commotion'

PA1806044796 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 Jun 96

[Report by Ana Gloria Loyola, Omar De La Cruz, (Mario Chao), and Irma Caceres; from the "NTV" newscast]

[FBIS Translated Excerpt] At the end of the Conference on Cities, Habitat II, the closing of which was attended today by President Fidel Castro, the United Nations summarized the serious problems of humanity in this century and drafted a strategy for the future. The speech made by Fidel in the final session on the acute crisis in the world has been considered something that was missing from this world's summit.

[Begin Castro recording] Those who have almost destroyed the planet and poisoned the air, seas, rivers, and earth, are today the least interested in saving humankind.

How many heads of state and government from developed countries are attending this meeting today? [end recording]

Some delegates said that, although this latest summit in the last 10 organized by the United Nations included in its final declaration an action plan on the basic principles for solving in the next 20 years the serious problems of housing, unemployment, social development, and others, Fidel brought up issues that had not been mentioned before.

[Begin recording] [Unidentified female delegate] When Fidel arrived, there was a commotion in the city and later at the conference. He is the only delegate to address the plenum who was applauded before and after he spoke. I would not say he has been applauded; he has received an ovation, because the applause never ended. Nobody heard the poor delegate who spoke after Fidel, because everyone was surrounding Fidel. They wanted to touch him, shake hands with him, greet him. This has caused a real commotion.

[Unidentified male delegate] The presence of Fidel and what he said at the... [pauses] That is why he was applauded for minutes, and people were standing. This reflects what we are all thinking about. This is a dignified stance from a head of state, in a context in which things are said many times, but there is no commitment to go back.

I believe he presented what many of us wished to present. That is why I believe he obtained the acceptance he got and the expectations of the people who said at least we have one head of state who talks with dignity.

[Second unidentified male delegate] I have attended more than 100 meetings of this nature, and when I came to Istanbul I wanted to hear what experts and technicians investigate on the issue of cities. For me, it was worthwhile to come to Istanbul exclusively to hear Fidel this morning. I believe that the speech made by Fidel Castro has been splendid and filled with dignity.

The room was filled with dignity when Fidel Castro began his speech by noting that few presidents from developed countries were in attendance. When Fidel Castro ended his speech, I believe we all felt something special. We felt an emotion, which is very difficult to feel in a situation like this.

For me, it was worth coming to Istanbul just to hear Fidel. [end recording]

If in the plenary sessions and dialogue with presidents and specialists the depth of his thought and political courage was recognized, Fidel exerts on media representatives a magic that subjugates them, a magic that neither the sun nor fatigue can avoid.

[Begin recording] [Unidentified female reporter] [words indistinct] this conference which I have been attending for 14 days, it is the first time I have seen people interested in listening to a speech. This speech is the one delivered by Fidel. I believe this is important, because in the past 14 days absolutely nothing happened. There was nothing causing commotion or moving the delegates.

[Second unidentified female reporter] He is an undisputable political personality. Obviously, in terms of news, we are interested in him. I am a journalist from Chile and, generally, all speeches made by Fidel Castro in world forums generate an internal debate.

[Third unidentified female reporter] He is also an international personality. I believe you saw him, you saw how he was accorded an ovation. I think he is the only one who comes here with a reply to the reality all countries of the world, not only Latin American countries, are facing. [end recording]

In the press room, each group of reporters tried to increase the audio of television to listen better, which caused a very special concert of translations into all languages. [passage omitted]

The Turkish newspapers gave wide coverage to Fidel's presence and his meeting with Prime Minister Mesut Yilmaz and President Suleyman Demirel. Other media sources reported on this issue.

For participants at this conference, different issues have been widely covered and leave positive results, in spite of more than one controversy with developed countries, which try to dodge their responsibility in the face of these problems. They also consider Istanbul an appropriate scenario, because this large 12-million-person city demonstrates the serious human, social, and urban conflicts examined at this summit.

The historical and beautiful city of Istanbul combines, with its modernity, 27 centuries of military conquests, earthquakes, and myths. Located on both the European and Asian continents, it is divided by the 31-km long Bosporus Sea, which joins the Black Sea to the Mediterranean.

Everyone had a place at this Summit on Human Settlements: Men, women, children, youngsters. The next millennium, which is very close, must offer more human alternatives. Think about it: 500 million people don't have a place to live.

Cuba: Raul Castro Recalls 1958 Rebel Counterattack

PA1406202396 Havana Cubavision Network in Spanish 0000 GMT 4 Jun 96

[Interview with Revolutionary Armed Forces Minister Army General Raul Castro by Marta Moreno in Alto de Piades; date not given — recorded]

[FBIS Translated Text] [Moreno] As part of the Revolutionary Armed Forces [FAR] scientific and historic workshop on the rebel victory over Batista's 1958 offensive, Army General Raul Castro granted an exclusive interview to this newscast, with the Sierra Maestra as a backdrop.

In Alto de Piades, the place that cradled the fallen body of Rebel Army Commander Ramon Paz Borroto, union leader and communist, Army FAR Minister General Raul Castro referred to the importance that detailed knowledge of the final phase of the war of liberation has for new generations.

[Castro] First of all, this was the chief of the general staff's idea, which I fully supported, like the majority of the things he proposes. This idea is a three-year effort, as was explained in the briefing the other day, from him and another of the officers who have spoken here.

I was thinking about an exchange of opinions that Ulises [Rosales] mentioned to me. I don't remember exact figures, but the rebel counterattack began with 300 rifles, as has been mentioned before. As has been seen in the development of the fighting, every day we had more rifles. In the end, we had 27 fatalities and 50 injured men, while the enemy had 1,000 casualties. This could be called productive combat.

In other words, beginning with 300 rebels, armed with different kinds of rifles — automatic, semiautomatic, self-loading like the Springfields — for every rebel at the beginning of the counterattack, the enemy had three casualties, because they had about 1,000 casualties. As I told you, the figures are not exact, because every day we had more rifles and, as has been shown, there was great activity as we mentioned in the previous point.

Toward the end, regular and guerrilla warfare methods were employed, just as stipulated in the current military doctrine, and the goal is to constantly improve upon it.

That is the goal of this workshop and the subsequent steps that we are going to take, given the significance of the most important operation in the combat, the operation, the battle, the operation. [sentence as heard] Here, between battles, skirmishes, the four battles, skirmishes, and combat [as heard] constituted a grand operation, just as the rest of the invasion, etc., El Che, Camilo, etc. This grand operation for the defeat of the onslaught of tyranny, by being the most important one, without underrating others, such as the taking of Santa Clara, was defined by Che himself.

This defeat of the offensive broke the spine of tyranny. What the taking of Santa Clara defined is the date of the triumph of the Revolution, because when Batista was told of the taking of Santa Clara, he invited some friend over to spend New Year's Eve with him and left from Colombia, as Ciudad Libertad was called then, from one of its two runways. One of them is now an organic farm. He tried to go to Miami, but the Yankees did not welcome him as they usually welcome their vassals.

Therefore, he had to go and fall prey to Trujillo, who charged him I do not know how many millions of dollars for the infamous San Cristobal rifles. Batista kept saying that no, that that was a debt of the Cuban state, and he replied that no, that you asked for them, so you pay for them. Batista was being held by Trujillo, and he had to pay him.

I was thinking about this, something that Ulises mentioned. Last night I awoke early and was thinking about it, about the level of combat productivity of our Rebel Army, even as it changed to more regular warfare; it went from guerrilla warfare to joint regular and irregular warfare.

This is not aimed at simply talking about history or bragging about the glorious history of our Armed Forces, which as we have said on many occasions is nothing more than the continuity of the very same army with three different names in accordance with the mission it was fulfilling: The Mambi Army or the Liberation Army, for independence; or the Rebel Army in the era it was our turn to act, those famous 25 months following the landing of the Granma, for national liberation; and the FAR for the defense of socialism.

This is extremely important and shows how many more things we have yet to study. We learn a little more from everything, from any combatant, any veteran, and those who fought later in the struggle against bandits, the operations against terrorists — mainly the state security forces — and in the internationalist missions. We have to learn constantly and become more and more aware.

We cannot use hordes of men like the Soviets used to do; they could do it. They have tens of millions of people. Their fronts went from the Baltic to the Black Sea, covering thousands of kilometers. However, they also had millions of casualties.

Since our war of independence, despite certain bold operations, and some frontline attacks in open combat with the enemy... [pauses] As you know this was organized in formations in order to defend the cavalry, since machine guns did not exist then. These practically eliminated the horse, because the Soviets and other countries still made use of the cavalry in World War II.

After the victory, due to lack of knowledge, lack of familiarity with history — I am talking about our own history — we studied Soviet military arts more than Cuba's military experience. It is true that knowledge does not take up much room and that there is nothing wrong with understanding Soviet military arts, or any other country or era; however, the most important thing is to know the Cuban military art gained from our wars of independence and other experiences.

There is no contemporary international conflict that is not studied in depth by the General Staff and the Maximo Gomez Academy, which is our most important research and study center, together with the Institute of Military Technology and the Antonio Maceo Officers School.

Ulises and I were saying the other day that this is a recurring subject; we have to break away from regular warfare, not relinquishing it all together, but we do not want the soldiers to become used to only that type of combat.

[Moreno] You were speaking of military knowledge, knowledge in the military schools but, for example, I graduated in 1984 and in the university very little was known about this history and nowadays, I must ask Vecino to forgive me for this....

[Castro, interrupting] No, you do have to apologize. What you have to say contributes to the whole.

[Moreno] I believe it is important that this be known but also [words indistinct]....

[Castro, interrupting] The first time we conducted the effort to write down the history, if I recall correctly, it must have been in the sixties, in meetings at the FAR central headquarters. Back then they were located in the Abreu Fontaine Building, not the current one. The opening words at the meeting... [pauses] We were not that experienced; it was a poorly organized meeting; it was a meeting of a group of veteran rebels, and everyone began telling the anecdotes they remembered. This is necessary, but it is better aimed at writing down a concrete event.

I said: We were capable of making history, but we have not been capable of writing it. This is an important step, and this is what we are doing, not only for the benefit of the students who will receive this information but also politically, given the crisis in socialist ideology. The ones in crisis are those who were building socialism, and there is now a rekindling; many people are now coming out from under beds and out of closets.

Cuba has played a vital role in this — I can say this just as the commander in chief has stated on many occasions.

This is vital as feedback from our history, which is extremely rich due to the great luck of having had men like Marti and Felix Varela. We had the luck of having had all these heroes, the very Varela and many others such Marti, at the end of the previous century, and Fidel in this century.

We have plenty of principles of our own, in addition to Marxist and Leninist principles and Marti's and Fidel's doctrine, because what the first hoped for, the second accomplished.

That is the struggle we are engaged in. This is the biggest struggle in the history of this country. Furthermore, it is aimed at improving our military doctrine, which has to be a continuous process, because the enemy continues to change its weapons. Their weapons are becoming more and more sophisticated.

Yet, as the Vietnamese taught us, we should neither underestimate nor overestimate the enemy. Nothing is beyond human intelligence; human intelligence is more intelligent than the smart weapons made by human intelligence. They recommend that we study them all, that all of them have their weaknesses and their shortcomings.

Therefore, the importance of this: Effectiveness cannot fall down. After the discussions, we have to reach conclusions, especially in the one we have pending with the commander in chief. We must focus on this great operation of the defeat of the offensive and the great victory of the Rebel Army and use this experience to study all of history. We must make it a useful learning experience to help us confront our current struggles.

That is all. No more questions.

Cuba: Western Army Forces Repair Water Leaks in Capital

PA1506001896 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Jun 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Over 3,000 leaks have been repaired in the capital with the aid of the Western Army's Corps of Engineers. Maria de las Nieves Gala reports.

[Gala] Forces from the Western Army's engineer battalion are working in the municipality of Diez de Octubre, where more than 4,000 leaks have been counted in the drinking water supply system. Atonio Diaz Hernandez, aqueduct director in the municipality, has said the soldiers' work was very positive:

[Begin Hernandez recording] We have been able for the first time to declare two People's Councils in the municipality leak free. These are the People's Councils of La Vibora and (Este Dial), areas where repairs have been carried out for the first time. We have established a joint work program with them for each People's Council.

From [words indistinct] we went on to the Damarindo People's Council. This is going to bring about the possible recovering, as I said before, of volumes of water being lost due to the state in which the [word indistinct] are here in this province. [end recording]

[Gala] In August 1994, Western Army forces began working on Havana City's aqueduct and have not limited themselves to repairing leaks; they also have cleaned drains, sewers, and repaired water pipelines.

Cuba: Cooperative on Efforts To Eliminate Cattle Thefts

PA1506002096 Havana Radio Rebelde Network in Spanish 1155 GMT 12 Jun 96

[From the "Doing Radio" newscast]

[FBIS Translated Text] Efforts to eliminate the theft and slaughter of cattle at the Suares Gayol Agricultural-Livestock Cooperative in Camaguey were analyzed recently during a meeting in which farmers associated with this cooperative and members of the San Blas People's Council, where the cooperative is located, participated.

While crime rates have dropped in Camaguey, the theft and slaughter of cattle is on the rise. The Suares Gayol Cooperative has had the highest number of cases. Fifty-six heads of cattle have been slaughtered, and it has not been possible to find the culprits.

At the meeting, also attended by representatives of the police and officials of the National Association of Small Farmers, Comrade Manuel Cano Iglesias stressed the need to join forces in surveillance programs. It also was pointed out that whoever does not take care of the resources of the cooperative cannot be a member, and one of the measures suggested is to ban people not involved with the cooperative from the stables and cattle fields. It also was stressed that surveillance, like problems at other cattle facilities in the province, is not a one-day problem but, rather, an everyday commitment.

Cuba: Chief Engineer on East Havana Electricity Plant

PA1506015896 Havana Radio Rebelde Network in Spanish 1155 GMT 12 Jun 96

[Report by Alberto Gutierrez; from the "Doing Radio" newscast]

[FBIS Translated Text] [Gutierrez] Optimizing the efficiency of electricity production is the top priority of the workers of the electricity plant in East Havana. Chief Engineer Antonio Cabrera comments.

[Cabrera] We have managed to put back into service the heaters of unit number three. We almost have completed the installation of the insulation so we may turn on the heaters of that unit for the first time. Before tomorrow, we expect to increase the output by five megawatts, which would be the top output for this unit since it joined the system in January.

[Gutierrez] Earlier we met with oil workers who are responsible for supplying you with fuel.

[Cabrera] We have been working on two main goals since the beginning of the year: First, to eliminate the transportation of fuel by trucks, which results in significant savings of fuel for transportation. We have turned on the Boca Jaruco oil pipeline and have begun using this type of fuel, just as in the plant in Matanzas, and have installed the additive system that has yielded good results. We have had days in which we have used up to approximately 90,000 cubic meters of gas; this gas was being burned into the air, and now we are using it at the plant.

[Gutierrez] The Antonio Guiteras Electricity Plant is still making progress in its repairs, and the plant in East Havana is helping in this effort.

Cuba: Pinar del Rio To Use New Medical Emergency System

PA1706163296 Havana Radio Rebelde Network in Spanish 1155 GMT 10 Jun 96

[From the "Doing Radio" program]

[FBIS Translated Text] Pinar del Rio's Pedro Borraz Clinic is now running a paramedical service [subsistema de urgencia primaria], with outpatient facilities and new ambulances equipped to handle emergencies. The service will be officially launched once its medical transportation, communications, specialized personnel, and material resources have passed inspection. It is worth noting that Pinar del Rio's infant mortality rate stands at 8.6 and that the maternity program proves quite favorable compared to last year. This is not the case regarding environmental health [higiene ambiental]: The provincial health council has urged residents of Sandino, San Juan y Martinez, Guane, San Cristobal, and Pinar del Rio Municipalities to do more to remove solid waste.

Cuba: Roundup of Sugarcane Developments Through 16 Jun

PA1706044596

[FBIS Report] The following is a compilation of reports on sugarcane and sugar industry developments in Cuba monitored through 16 June.

Holguin Province has produced 507,000 metric tons of sugar during the current sugar drive and is the highest sugar-producing province in the country this year. The province's Lopez Pena, Fernando de Dios, Nicaragua, Rafael Freire, and Frank Pais sugar mills are still processing sugarcane and production is expected to further increase. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 12 Jun 96)

Granma Province sugarcane workers had scheduled to plant 13 caballerias and clean 100 caballerias daily but heavy rains deterred them from doing so. During the first week of this month, the Granma workers were only able to plant six caballerias on an average and they must still plant more than 300 caballerias and clean more than 2,600 caballerias in June. (Havana Radio Rebelde Network in Spanish 1700 GMT 12 Jun 96)

The Sugar Industry Ministry and the Sugar Industry Workers Union issued a joint evaluation on work done by all the provinces between January and May. The evaluation concluded that Sancti Spiritus was the leading province in complying with the overall sugarcane program. (Havana Radio Rebelde Network in Spanish 1700 GMT 12 Jun 96)

The approximately 3,000 Cuban Workers Federation, CTC, volunteer workers have met their sugarcane harvest program objectives in Camaguey this year. They harvested almost 60 million arrobas of sugarcane — 3 million more than scheduled — and delivered them to the Camaguey sugar mills to be processed. The CTC volunteer workers, however, have kept on working and are now cleaning the fields and planting new sugarcane. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 13 Jun 96)

A Pinar del Rio official has reported that the province registered a 64-percent increase in its sugar production this year and that workers are currently preparing the fields for the next harvest. (Havana Radio Rebelde Network in Spanish 1155 GMT 13 Jun 96)

The workers at the Guayabal port in Las Tunas Province have loaded 38 ships with sugar and shipped 533,400 metric tons of sugar this year. The port has, thus, complied with its annual export program and obtained $363,000 in revenues from this activity. The Guayabal port is very efficient. It receives an average of 486 metric tons of sugar per hour and loads the sugar in record time. Guayabal exported 138,400 more metric tons of sugar this year than last. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 16 Jun 96)

The heavy and constant rains in the country have badly damaged the roads in the sugarcane areas and have seriously threatened this year's sugar production program. In Holguin, 40 million arrobas of sugarcane could not be moved from the fields on 31 May due to the conditions of the road. However, Ministry of Construction, Micons, workers in Holguin went to work and repaired 500 km of roads, thus, allowing the sugarcane to reach the sugar mills and be processed. Santiago de Cuba Micons workers have also done an excellent job in repairing the roads, and the sugar industry workers were finally able to get the 4 million arrobas of sugarcane they had harvested to the sugar mill. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 16 Jun 96)

Haiti

Haiti: Senator Warns Adjustment Could Lead to Civil War

PA1706183896 Port-au-Prince Signal FM Radio in Creole 1130 GMT 13 Jun 96

[Report by correspondent Yvener Millien; from the "0730 Appointment" newscast]

[FBIS Translated Text] Artibonite Senator Samuel Madistin has warned that adopting the Preval-Smarth government's neoliberal policies could lead Haiti into civil war. Madistin accuses the lavalas government of ignoring the Haitian people's demands on structural adjustment in favor of satisfying the demands of world donors. Yvener Millien reports:

[Begin recording] [Millien] Senate Vice President Samuel Madistin reports that neoliberal policies have not been widely discussed and claims that adopting said policies could lead Haiti into civil war. As for the delegation that has gone to Washington, Madistin condemned the government for adhering to the demands of world sponsors instead of the demands of the Haitian people — namely, those who gave the government its mandate to rule.

[Madistin] This has not been widely discussed. Fundamentally, we... [pauses] the opinion we are hearing from around the table is that we should fight neoliberal policies before the government implements them. This is why many people stick to their initial decision to fight neoliberal policy.

[Millien] Will Parliament approve modernizing state-owned enterprises?

[Madistin] Six of one, half-dozen of another; so, you speak of modernization instead of selling the country; it is all the same thing. I do not believe that it is a question of modernization or that Parliament needs to vote modernization into law.

[Millien] Madistin confirmed that he met with representatives of the Peacemakers Team, a U.S. organization, on 11 June. He told them that the U.S. Government is at the root of Haiti's biggest security problem: The U.S. Government refusing to release the Revolution Front for the Promotion and Progress of Haiti [FRAPH] document prevents the Haitian Government from identifying those who have weapons warehouses and those financing terrorist actions in Haiti.

[Madistin] Structural adjustment is no joke. Many people understand it. Any document that you read on the areas where structural adjustments have taken place shows that it leads to misery and social conflict and could even lead to civil war. This is no joke. The Senate must take this question very seriously. The Chamber of Deputies must take this question very seriously so that, in the future, if the government manages to get this program passed and blood is to be shed in the country, we can know who is responsible before the Haitian people and history.

[Millien] Madistin impressed upon this group of Americans that structural adjustment could lead to genocide in Haiti. [end recording]

Haiti: Smarth Hails Talks With Financial Institutions

PA1706173596 Port-au-Prince Signal FM Radio in Creole 1130 GMT 14 Jun 96

[Report on interview with Prime Minister Rosny Smarth by Roosevelt Benjamin and Leontes Dorzilme in Port-au-Prince on 13 June; from the "0730 Appointment" newscast]

[FBIS Translated Text] Haitian Prime Minister Rosny Smarth has described the outcome of recent talks between Haitian officials and representatives of world financial groups in Washington as a success. Smarth confirmed for Signal FM during a special live broadcast that Puerto Rico's Radio Universidad and several stations in Mexico, the United States, and other countries in the region carried on 13 June that Haitian Finance Minister Fred Joseph has signed an agreement with world financial groups which have promised to finance the national budget by 40 percent. However, Smarth says that he is waiting for word from the IMF on releasing the first installment of its financial aid to Haiti. Smarth says that the funds will be released very soon:

[Begin recording] [Smarth, in progress]...makes me think that the government's efforts are being crowned (?with success). We have been working on the negotiations for two months, if not a little more. Our efforts are being crowned (?with success) today, given the work that all the technical groups and ministers have (?achieved). Basically, I think this is the result of all the efforts that were and are being made. I am satisfied and know that President Preval will be very satisfied with the outcome of the talks in Washington.

[Benjamin] Plans were drawn up during several weeks of negotiations between Haitian officials and representatives of leading world donors in Port-au-Prince. President Preval wanted a speedy outcome even before the negotiations began: He said that the negotiations would begin on 15 May, in the hopes that they would end on 15 June and that they could quickly finish off with the program before the end of the World Bank's fiscal year. Is there a deadline for signing a final agreement? IMF Managing Director Michel Camdessus and President Preval have reached a verbal agreement. Is there a deadline for Haiti and sponsors to sign a final agreement on releasing the initial installment?

[Smarth] Minister Fred Joseph and the Central Bank's governor will deliver the final agreement. When will it be released? The IMF is due to meet with its board of directors this month; it is supposed to meet at the end of this month; we expect that the date of this meeting and a ruling on the Haiti issue will be brought forward; we think that all will be clear by the end of this month or by the beginning of July.

[Dorzilme] You say that everything will be clear by the end of this month. Does that mean that structural adjustment, especially with regard to public administration, will also begin at the end of this month? This adjustment presumes that people will be dismissed or that others will be compelled to leave voluntarily.

[Smarth] We have said that... [pauses] The government is no longer on its own; we must adhere to the constitutional process; Parliament must approve any agreement or program that we consider. Parliament must approve the law modernizing state-owned enterprises, as well as the law that would lead to layoffs. The program will go into effect in its entirety once we get Parliament's approval. [end recording]

Haitian Prime Minister Rosny Smarth was speaking to colleagues Roosevelt Benjamin and Leontes Dorzilme. Smarth confirmed that Finance Minister Fred Joseph has signed an agreement with world financial groups which have agreed to finance Haiti's national budget by 40 percent for this fiscal year. World sponsors, including the IMF, the World Bank, and the Inter-American Development Bank [IDB], have agreed to finance 40 percent of the national budget for fiscal year 1995-1996. Representatives of these institutions decided to agree on this during their meeting with Haitian finance officials in Washington on 12 June. The financial institutions are also considering offering Haiti 118 million [currency not specified] in aid in 1996 in support of economic reforms. The World Bank, IMF, and IDB have also agreed to finance the budget for fiscal year 1997.

Haiti: Preval Secures EU Economic Aid During Tour

PA1706165696 Port-au-Prince Signal FM Radio in Creole 1130 GMT 14 Jun 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] President Rene Preval is about to end the European tour that he began on 5 June, with plans to depart Germany for Haiti on 14 June. Preval met French President Jacques Chirac, in France; Pope John Paul II, in Italy; and several leading German Government officials, in Germany. The outcome of Preval's visit has proved positive: The EU has agreed to increase economic aid to Haiti, and Germany has committed 100 million German marks to Haitian development projects. Preval and his delegation will return to Haiti on 15 June at the latest.

Mexico: Countries To Ask NAFTA Body To Examine U.S. Law

PA1806035096 Mexico City NOTIMEX in Spanish 1941 GMT 17 Jun 96

[FBIS Translated Text] Mexico City, 17 Jun (NOTIMEX) — It was officially disclosed today that Mexico and Canada have requested a meeting of the NAFTA commission to examine the implementation of the Helms-Burton law, which violates provisions contained in NAFTA chapters.

The Mexican Secretariat of Commerce and Industrial Development pointed out in a communique that this decision is aimed at "continuing the procedures for solving controversies as provided in this agreement," which went into effect on 1 January 1994.

The Mexican Secretariat of Commerce and Industrial Development stated that after a telephone conversation, Herminio Blanco, Mexican secretary of commerce and industrial development, and Canadian International Trade Minister Arthur Eggleton "agreed to promptly set a date to request a meeting of this commission."

The communique further said: "Once a formal request is made, the commission should meet within the next 10 days. In case an accord is not reached, Mexico and Canada could request the formation of a panel 30 days after this meeting."

This panel would have to issue the final decision within the next five months.

The Mexican Secretariat of Commerce and Industrial Development added that President Ernesto Zedillo and the Mexican Congress are concurrently preparing a bill that will reduce the extraterritorial effects of laws like the Helms-Burton law and will help Mexican businesses.

This U.S. law, which President William Clinton signed last March, hardens the commercial embargo against Cuba and establishes sanctions against third countries that do business with this island. The international community has rejected this law.

Before the approval of this law, a Cuban fighter-bomber shot down two U.S. small planes belonging to the anti-Castro "Brothers to the Rescue" organization last 24 February.

The Mexican authorities made the announcement after the Canadian Government had agreed to enforce a series of reprisals against the Helms-Burton law, reprisals that will also include amendments to domestic laws.

On Monday Canadian International Trade Minister Eggleton said in Canada: "This law violates international law as well as NAFTA and undermines international conditions that favor investments. For this reason, we should protect Canada's sovereignty and our businesses."

Mexico: Zedillo, Canada's Chretien on U.S. Law

PA1706203896 Mexico City NOTIMEX in Spanish 2027 GMT 15 Jun 96

[By Alejandra Viveros]

[FBIS Translated Excerpt] Ottawa, 15 Jun (NOTIMEX) — President Ernesto Zedillo and Canadian Prime Minister Jean Chretien this week established the objectives of a growing bilateral relationship between Mexico and Canada, which entered a new phase within the NAFTA.

During the tour Zedillo made from Monday through Friday of the cities of Ottawa, Toronto, Calgary, and Vancouver, Canadian officials and businessmen also expressed their interest to increase trade and investments with Mexico.

The trip of Zedillo included meetings with Canadian bankers, businessmen, and industrialists interested in investing in Mexico, especially in the areas of natural gas and mining.

At the end of a meeting with the Mexican president in the city of Vancouver, Canadian businessmen on Friday announced their intention to make large investments in the Mexican mining-metallurgical sector, in a period of approximately five years.

During the meeting, a memorandum of understanding on mining cooperation between Mexico and Canada was also signed, as well as another memorandum to intensify scientific and technical cooperation regarding mapping.

On Thursday in Calgary, Canadian gas companies expressed their interest to President Zedillo to participate in the construction of gas pipes in some states of northern Mexico; they expressed their interest to participate in the distribution of natural gas and in exploring projects on renewable energy sources.

In his meeting with gas company officials, the Mexican president answered questions on energy, on the construction of a new airport in Mexico, on the reforms to the judiciary branch, and on business prospects.

Canadian officials highlighted the potential for bilateral trade and said that the exchange of goods between both countries has increased by 30 percent since the NAFTA, the commercial pact they signed together with the United States, went into effect.

They also remarked that Canadian investments in Mexico, totaling a little over $1 billion, could increase to $2 billion in the coming years.

A few hours before returning to his country, President Zedillo announced in Vancouver seven strategic points to achieve stability and sustained growth in Mexico, and stated that the economy of Mexico is advancing toward a period of prosperity.

He mentioned the increase in domestic savings, the continuation of the structural reform with new momentum, the promotion of constitutional and legal changes to increase the expectation of new commercial growth, and the promotion in telecommunications investments.

In the first leg of the tour, Zedillo and Chretien announced a Declaration of Objectives of the Mexico-Canada Relationship, to expand and deepen their association "on the basis of respect, mutual trust, and the affinity of values and interests."

Both nations expressed the need to coordinate commercial promotion and investment programs, placing emphasis on the small- and medium-sized enterprise, as well as the establishment of strategic alliances between their respective private sectors.

Mexico and Canada agreed to establish better coordination in multilateral forums like the Organization for Cooperation and Economic Development (OCDE), the World Trade Organization (WTO), and the Asia-Pacific Economic Cooperation (APEC).

The heads of state from both countries also stated their rejection to the extraterritorial nature of the Helms-Burton law, which punishes third countries that benefit from properties confiscated to U.S. citizens in Cuba.

In the two meetings that they held in Ottawa, President Zedillo and Prime Minister Jean Chretien clearly established that the U.S. law goes against free trade and contradicts the provisions of international law.

A great deal of attention was devoted to the complaints of both countries on the extraterritorial nature of the law, as well as the economic damage it will inflict on their countries, in the first stage of the visit by the Mexican president, in Ottawa.

Mexico and Canada evaluated defensive measures [medidas de defensa] to offset the impact businesses from their countries will suffer from the application of the Helms-Burton law.

The Mexican president affirmed that his country is considering the approval of special legislation to counter the effects of the Helms-Burton law, although he explained that no law could guarantee an absolute invulnerability of Mexican companies.

"We will adopt effective measures. However, I don't want to lie to Mexican businessmen by promising a law that will make them absolutely invulnerable to the Helms-Burton law. This is not possible and the best thing we can give them is a legal recourse to fight it," Zedillo stressed.

"There is not a definitive legal answer, simply because the Helms-Burton law is a unilateral action and, in the end, the United States will have to make a unilateral decision to change that situation," President Zedillo added.

In the meantime, Canada plans to sue the United States under Chapter 20 of the NAFTA, which also includes Mexico. However, before doing that, Canada must request a meeting of the commission made up of the trade ministers from the three countries.

According to Canadian official sources, the Government of Ottawa may request the establishment of a trilateral panel to settle commercial disputes, only 30 days after the commission has met.

Ottawa has prepared reprisal measures it will announce after the United States reveals next week how it will apply its legislation against foreign companies investing in Cuba, a spokesman from Canada's Ministry of International Trade has confirmed.

The Helms-Burton law will allow U.S. citizens to sue foreign firms that "traffic" with properties confiscated by the Government of Havana, and will authorize the Department of State to deny the entry of executives from these companies into the United States.

The reprisal measures from the Government of Ottawa will allow Canadian companies to counter the suits of U.S. firms, and will even empower Canadian courts to attach the shares of said U.S. firms in Canada, according to official sources.

With this, Canadian companies would recover the money lost from compensations the U.S. companies may obtain in U.S. courts.

This would be possible with the creation of a new legislation or with the reform to the 1992 Act of Foreign Extraterritorial Measures, allowing the Canadian Government to sue firms that in this country join the U.S. embargo against Cuba. [passage omitted]

Mexico: Reaction to OAS Helms-Burton Vote Viewed

96P20433A

[FBIS Report] All monitored reaction in Mexico City newspapers to the 5 June OAS vote in Panama against the Helms-Burton law was critical of the U.S. official reaction to the vote; however, none of the reporting and comment contained characterizations of the anti-U.S. vote as marking a sea change in relations between Latin America and the United States.

Mexican Foreign Secretary Jose Angel Gurria remarked on 7 June that the OAS resolution was a "very clear reflection" of international rejection of the Helms-Burton law but characterized the issue as "a matter for the family of nations of the hemisphere," adding that "we have within the OAS instruments that enable us to clear up differences among us." He interpreted the "very strong" and "rather unfortunate" language used by U.S. Representative Harriet Babbitt as perhaps indicating "the importance of what has happened and, above all, the unexpected outcome for the U.S." Gurria explained that "a defense of Mexican interests has to be made... just as has been done by the other 32 nations for their companies, businesses, and citizens. All of us share the same concern, and for that reason it was possible to reach a consensus." (LA JORNADA, 8 June)

Among press commentators, former spokesman for Party of the Democratic Revolution 1992 presidential candidate Cuauhtemoc Cardenas and current Independent Federal Deputy Adolfo Aguilar Zinser lauded Mexico's Foreign Affairs Secretariat for its "first triumph in years," won, he said, by successfully opposing a law to which the U.S. was unable to gain even temporary Latin American acquiescence for purposes of the upcoming presidential election. Aguilar Zinser expressed his hope that in the future the Mexican Government would fight as vigorously to defend the rights of "poor, hard-working Mexicans" who cross the northern border to work as it does to protect the interests of "rich Mexicans" in danger of being "deprived of their visas to visit California and Colorado." (REFORMA, 7 June)

Commentator Luis Gonzalez Souza applauded the OAS vote as an "historic act" against U.S. "imperial machismo" by the "formerly docile tool of the United States." (LA JORNADA, 8 June)

In his column, labor law specialist Nestor de Buen congratulated the Zedillo administration for its strong opposition to what he called the November election-inspired Helms-Burton law, which "is putting the United States in the worst international situation in its history." He also praised the members of the OAS, an organization he dubbed the "McCarthyite creation of the United States that today has categorically rejected" the Helms-Burton law. (LA JORNADA, 9 June)

Antonio Gershenson, founding member of the influential socialist Popular Action Movement and ex-leader of the nuclear industry workers' union, rejected what he said was the U.S. characterization of the OAS resolution as "interventionist" by labeling the Helms-Burton law itself as "the most recent example of interventionism." (LA JORNADA, 9 June)

Mexico: 'Irritation' of President, Society Viewed

96CA0215A Mexico City REFORMA in Spanish 6 Jun 96

[Commentary by Lorenzo Meyer, Colegio de Mexico historian and international relations specialist: "An Irritated President" — received via Internet]

[FBIS Translated Text] **A President Is Not a Nation**

At a meeting with businessmen in Sonora on 31 May, President Ernesto Zedillo put aside the notes he had prepared for the occasion and improvised. He lashed out in irritation at the journalists who systematically conceal good news, emphasize bad news, and are incapable of acknowledging all that has been achieved in recent times thanks to the efforts of millions of Mexicans (REFORMA, 1 June 1996). He then predicted the defeat of "the pessimists, the defeatists, the alarmists, (and) the sensationalists," that is to say, his critics.

That a president (this one or any other) should be upset by criticism and critics is nothing new; actually it is quite human and commonplace. For a long time there were relatively few critics of presidents in Mexico, and rarely did the occupants of "Los Pinos" have occasion to become irritated. The times have changed, however, and unless authoritarianism suddenly makes a comeback and forces them to fall silent, the critics are going to remain active. So, it would be prudent for the president to become accustomed to their presence, to control his impulses, and to react to them with restraint and, if possible, grace and elegance. As an old proverb says, "he who loses his temper, loses," and for his own good the president cannot afford the luxury of losing his temper in public over a hallmark of the democracy that we hope to have some day: criticism.

The president's irritation with those who, according to him, see only the negative prompted him to put forth a very traditional argument in Sonora. According to the news item, the chief executive charged that these "pessimists" and "defeatists" were incapable of acknowledging all that had been achieved in recent times thanks to the efforts of millions of Mexicans. Here the chief executive may have committed a sin of pride, as he equated criticism of the regime, of his administration, and of his person with the failure to acknowledge the efforts of thousands of Mexicans to get by in spite of adverse conditions. To identify society and the nation with the government and the authorities is as old a recourse as it is false...and futile.

If we could ask the president to be more specific, he would surely have no problem giving the first and last names of those who, according to him, make up the group of pessimists, defeatists, alarmists, or sensationalists that upset him. Yet I think that he would be hard-pressed to show that the arguments of these individuals have denied or downplayed the obvious, dramatic efforts of millions of average Mexicans to survive under conditions as hostile and trying as the ones that have been created for them by the irresponsibility, blunders, and systematic corruption of Mexico's political class both today and yesterday.

The Judgment of the Mexican People

If the poll conducted last month among 1,500 citizens by the newspapers REFORMA and EL NORTE, with the cooperation of nine other papers in 25 states of the republic, was done properly and if its sample is representative, then it so happens that it is precisely average Mexicans who are highly critical of the actions of the president and his administration. The numbers show that only 35 percent of the respondents approve of the way in which the president is running the country, while a majority, 57 percent, disapprove. On a scale from 1 to 10, the average grade that the president got as leader of the country was just 5.5. Finally, when the 1,500 citizens in the nationwide sample were asked what in their opinion was the president's greatest success, 63 percent said they did not know of or simply could not point to a single one (REFORMA, 2 June 1996). A poll on the same issue done in Guadalajara by the Center for Opinion Studies at the university in that city yielded a similar finding: 5.3 (LA JORNADA, 4 June 1996). In short, commentators and journalists are not the only ones dissatisfied with the performance of our federal authorities; society, the real world, is too.

Another similar indicator is the poll conducted by the nongovernment organization Transparency International (TI). It is impossible to ascertain how scientific the sample TI used was, but it included an international group of businessmen who were asked to rate, based on their experience, the prevailing degree of honesty in 54 countries on five continents. Mexico received a 3.3, which is much better than Nigeria or Venezuela, but less than half as good as Chile, the country with the least public corruption in Latin America (LA JORNADA, 3 June 1996).

We Are All Irritated

If the president is irritated at the media and commentators, the rest of society is no less irritated at his government, and rightly so. Seen in the proper light, what is happening now is that the chief executive is reaping not only the understandable irritation that he sowed by breaking his basic commitment to the electorate in 1994 (he promised well-being for families and gave them the opposite) but also an age-old irritation. Indeed, resentment has been building in Mexican society against its authorities as a result of the long list of abuses, failures, deceptions, manipulations, injustices, and corruption by those who have monopolized power for several generations now. Ernesto Zedillo became president not on his own merits but because of the ability of a long-standing party of the state to impose its candidate, no matter who he might be. For the very same reason, though, when Zedillo assumed the office of the president, he had to shoulder the unfavorable legacy of a threadbare, discredited political group and system. The fact is that the one (the presidency won by and from PRI [Institutional Revolutionary Party]) goes hand in hand with the other (the irritation felt by a society that has been the victim of systematic abuses of power). To a great extent the criticism of the president is directed less at him personally than it is at the system of which Ernesto Zedillo is the symbol and most recent link in the chain.

Impunity and Pessimism

The president accused some of the commentators who today can voice the reasons for their dissatisfaction with the state of public affairs in Mexico of being pessimists. Well, there is some truth to his observation, but it so happens that such pessimism is not the result of any ethical or intellectual failing on the part of these analysts; rather, it is the logical consequence of the inability of the existing institutional structure (courts, parties, civic organizations, mass media, universities, churches) to lift the country out of the political and moral quagmire in which it finds itself.

The political class that President Zedillo today heads simply refuses to take responsibility for the tragic failure of an entire national agenda and is using every means at its disposal (the advantages of power) to cling to its illegitimate privileges, especially the privilege of impunity, which is the hallmark of the political system that still prevails.

There are thousands of examples of the foregoing. A recent one is the decision by PRI lawmakers that the impeachment of governor-on-leave Ruben Figueroa is not warranted. The so-called PRI representatives of the people arrived at this decision in spite of an unprecedented ruling drafted by the Supreme Court at the president's request, in which it maintains that the individual rights of the 17 peasants slain by the police in Aguas Blancas, Guerrero last year were violated. The PRI lawmakers could not deny the obvious (the violation of the slain men's rights), but they ruled out the possibility of impeachment because the violation had not been "systematic." If it is not systematic, though, how can we explain the murder of Jesus Gonzalez, another PRD [Party of the Democratic Revolution] leader, this past 5 May in Cutzamala de Pinzon, Guerrero, after the slayings of E. Baza and C. Hernandez, who were also opposition leaders? And what is to be said about the threats that the PRD's secretary general in Guerrero, Martin Martinez, and his wife, a state congresswoman, have received? Under these conditions, can the upcoming municipal elections in Guerrero possibly be described as free and fair? Are there or are there not objective political, economic, social, and cultural reasons for pessimism?

A Personal Problem With Nationwide Repercussions

Those who have had the opportunity to observe President Zedillo say that he becomes irritated easily, this being a trait that he shares with many other technocrats (in this regard see, for example, Andres Oppenheimer's "Mexico: on the Frontier of Chaos"). If the president, motivated by his annoyance, persists in regarding criticism of his administration as the mere product of the bad faith, alarmism, and sensationalism of certain analysts, he will drift even further from reality and be harder put to discover a way out of the dead-end street in which he, his government, and the rest of the country objectively find themselves.

The real problem today is not, of course, the critics but rather the authorities' refusal to accept, in practice, the fact that the current regime is inviable and that the underlying political problem will not be resolved with the purported economic upturn at year end, but that instead the old system of power must be dismantled so that a new institutional framework can be built. Such a framework must afford society the means by which it can call its authorities to account and must provide tools for effective political and legal defense to the millions of Mexicans who are marginalized by the market; it must have a division of powers that leads to the construction of a legal system that for the first time in its history removes Mexico from the category of chronically corrupt countries. The president should not waste his energy now on defending himself or vested interests; rather he should devote it to building the stability of the future.

German Dehesa, a fine political analyst among other things, said that if the president continues along his present path, he runs the risk of becoming like the Austrian dynasty (the Austria of Juana the Insane or Phillip the Beautiful), since in less than two years he has gone from being Zedillo the weak to Zedillo the well-meaning and now to Zedillo the misunderstood. This does few people any good. Today we need Zedillo the imaginative, active, and effective reformer, the leader who makes full use of his position, energy, and aggravation not to attack his critics but to tackle the great obstacles standing between the Mexico that is and the Mexico that ought to be.

Mexico: Government Voices Concern Over PRC Nuclear Test

PA1506031596 Mexico City NOTIMEX in Spanish 0307 GMT 12 Jun 96

[FBIS Translated Text] Mexico City, 11 Jun (NOTIMEX) — The Mexican Foreign Secretariat has announced that the Mexican Government expressed today its concern to the PRC about the nuclear test carried out by that country on 8 June.

Amid the excellent relations between both countries, the Mexican Foreign Secretariat asked the PRC ambassador to Mexico, Shen Yunau [name as received], to relay Mexico's feelings on nuclear tests to his government.

The Mexican Foreign Secretariat asserted in a communique that after the commitments it had assumed in the extension of the Nonproliferation of Nuclear Weapons Treaty signed in New York in May 1995, Mexico viewed the test as an attitude that negatively affects the efforts being made to stop the nuclear race.

The test also "generates uncertainty about the credibility of a nonproliferation of nuclear weapons ruling that was extended just a year ago and constitutes another obstacle to the efforts being made to reach a treaty to ban nuclear tests." This ban should go into effect in September at the latest, the document added.

The Foreign Secretariat told Ambassador Yunau that the indefinite extension of the Nonproliferation of Nuclear Weapons Treaty is incompatible with the continuation of tests that "infringe on the objective of nonproliferation itself."

The nuclear test furthered by the PRC in the Lop Nor area is the first of two tests scheduled for this year. After the two tests have been made, the PRC intends to join the world moratorium on nuclear weapons.

Mexico: Secretary Defends Presence of Military Officers

PA1506025796 Mexico City LA JORNADA in Spanish 10 Jun 96 p 43

[Report by Miriam Posada Garcia]

[FBIS Translated Text] Public Security Secretary [SSP] General Tomas Salgado Cordero has started his first day on the job by clarifying the following: "The presence of military officers at certain levels of the secretariat does not mean the police force is being militarized."

A press bulletin issued by the SSP Public Communications Office notes that Salgado inspected the Balbuena headquarters yesterday and said "the strengthening of principles based on the predominance of the law" will be positive for Mexico City's police force.

In addition, Salgado's first interview with a television station scheduled for yesterday was canceled presumably because it had not been authorized. Noticeable also was the presence at the SSP Public Communications Office of Amado Trevino, who is public communications director of the Federal District Department (DDF).

One day after granting his first interview to the media, which had not been authorized by the DDF and caused discomfort to several officials, the SSP issued a document yesterday that was embargoed until 1500 hours; it states:

"The presence of military officers at certain levels of the SSP does not mean there are plans to militarize the police force, SSP Secretary General Enrique Salgado Cordero said during a tour of Balbuena headquarters yesterday.

"Salgado reiterated that it would be positive for the police force to reinforce principles based on the prevalence of the law, order, discipline, respect for the rights of the individual, legality, institutionality, and vocation for service, all of which are main features of the country's Armed Forces.

"We intend to work so Mexico City residents will trust their police once again. We intend to do this by transforming the police into a more professional body, strengthening its ethical values, which does not mean it is going to be militarized. We intend to buttress the force based on the same principles that have shaped us as military men."

The document does not stipulate, however, whom he met or to whom his speech during the tour was directed.

The main point is that the announcement on military officers preparing to occupy key positions within the SSP caused a certain amount of uncertainty among many, alleged indifference among others, and silence from a few.

Several of the directors who where gathered yesterday at the SSP session hall located on the 12th floor to meet the new public security secretary said "during yesterday's meeting with the general, he told us that he intends to continue working with the current department chiefs, but that he was prepared to implement changes if necessary."

Reaction by Some Police Officers

The announcement on the likelihood of changes elicited a different reaction among the police force. "Some police officers said they had not been authorized to express an opinion on the issue; others chose to refrain from commenting, while others said this decision was the best that could have been adopted.

"The best thing the general could have done is to surround himself by other military officers, but now he should be careful about which police officers he will have near him, because there are several seeking only to ingratiate themselves."

Several police chiefs who requested anonymity said that if the new secretary had been a police officer "things never would have changed," but they believe "the general is bringing along some people who are excellent, well prepared, and of high moral quality."

Some police officers believe "the appointment of Salgado will result in more discipline, but the training and aptitude of some of the current directors should not be downgraded."

A few more reserved officials, claiming "discipline and the prevailing situation," only answered that if changes are implemented, "they are unconcerned and do not feel threatened, because previous administrations also brought along military officers, and nothing happened to them."

In addition to the uncertainty about the new secretary's style of doing things, there is another issue causing concern among the lower levels: "It is urgent to now whether those officials who were in control of the budget decision making process will be allowed to simply tender their resignation just like that or if they will be subject to an audit to clarify how the funds were handled."

The truth is that personnel changes at all levels could start at any moment. The most important positions in the organization, the ones military personnel could be aspiring to get, are the Operations General Directorate [Direccion General de Operaciones], the Preventive Actions Directorate [Direccion de Acciones Preventivas, the three regions in which the city is divided, the command of the groups [jefatura de Agrupamientos], and the two Complementary Police Offices [Policias Complementarias.]

For the time being, the secretariat's groups were working as normal yesterday. They continued their customary operations, and the only change was that they suspended the weekend rest period to which the chiefs are entitled once a month.

Mexico: Secofi To Receive Helms-Burton Law Complaints

PA1506123396 Mexico City LA JORNADA in Spanish 12 Jun 96 p 43

[Report by Patricia Munoz Rios]

[FBIS Translated Text] The National Foreign Investment Directorate of the Commerce and Industrial Development Secretariat (Secofi) was designated to receive the complaints and claims made by Mexican businessmen affected by regulations such as those included in the Helms-Burton law, as well as any other measure adopted by the United States or Canada that might harm their investments.

This office will be empowered to act as "a place to file notifications and other documents to process the claims contemplated in the matter of foreign investment within the framework of NAFTA.

NAFTA Article 1135.2 of the chapter on Foreign Investment and Services stipulates that investors shall draft their notifications and submit the documentation on their complaints regarding the treatment received from any of the member countries in the location that each one of them assigns for this purpose.

Consequently, a decision was made to set up one single location in Mexico to submit the notifications and the documentation pertaining to "the claims that arise in keeping with NAFTA's Chapter 11."

The Secofi pointed out that in keeping with the principle of international reciprocity, the chapter stipulates a mechanism for settling disputes to resolve any complaints that might arise between an investor and a government.

This mechanism establishes the possibility that if the investor is affected by noncompliance on the part of any of the three governments — the United States, Mexico, and Canada — with the regulations stipulated in Section "A" of the said chapter on Investment, he will be able to file a claim with an "arbitrational tribunal."

The provisions in Section "A" of the chapter on Foreign Investment specify that none of the parts shall impose or make the investors comply with certain "performance requirements."

None of the countries shall expropriate, directly or indirectly, an investment of a businessman from another nation in its territory nor shall they adopt any measure equal to nationalizing assets affecting third parties. This shall only be allowed in the case of public utilities and shall be done on a nondiscriminatory basis, in keeping with the law and without violating international law.

Thus, all those Mexican businessmen who believe that these terms are being violated and who are affected by this circumstance — as might be the case with the Helms-Burton law — will be entitled to file an "arbitrational" claim.

The steps and documentation shall be submitted to the Records' Office of the National Foreign Investment Directorate, on Insurgentes Sur Avenue No. 1940 in Mexico City. The tribunal that will arbitrate these cases will be formed in keeping with NAFTA Articles 1123, 1124 and 1125.

The Secofi indicated that one of the government's objectives concerning foreign investment is to ensure that the flows of capital into the country become an instrument to support development, as a complement of domestic savings.

The Industrial Policy and Foreign Trade Program, which falls under the Secofi's jurisdiction, points to foreign investment as an essential factor to promote economic growth, as it complements domestic investment and strengthens the manufacturing sector.

Mexico: Bancomext To Advise Exporters on U.S. Law

PA1406180196 Mexico City NOTIMEX in Spanish 2206 GMT 12 Jun 96

[FBIS Translated Text] Mexico City, 12 Jun (NOTIMEX) — It was reported today that the National Foreign Trade Bank of Mexico (Bancomext) will offer Mexican exporters an information service to orient them in regards to the Helms-Burton law.

A Bancomext communique points out that the orientation service will be offered by the Executive Directorate for International Contracts, which will offer basic information to businessmen who, at a given moment, may be affected by the Helms-Burton law.

Bancomext explains that large companies will be offered the service after being channeled through the bank's assessment board, which will also aid small- and medium-sized companies, and interested parties in the interior of the Republic through the bank's subsidiaries.

The U.S. Helms-Burton law, which strengthens the trade embargo on Cuba, could affect some 200 Mexican companies operating on the island. The Helms-Burton law has been rejected by the Mexican Government because of its extraterritorial nature.

Mexico: Commentary Views Emigrants' Contribution to Economy

PA1606121296 Mexico City Radio Red Network in Spanish 2300 GMT 12 May 96

[Commentary by Luis Pazos; from "The Night Monitor" newscast]

[FBIS Translated Text] Illegal immigrants in the United States — and some legal immigrants — have become the salvation of the Mexican countryside during the past few years, and we could say of the past decades. Many of them were expelled from the Mexican countryside by the demagogic agrarian reform that only sowed insecurity and misery in our farmlands.

Paradoxically, that agrarian reform survived thanks to those poor peasants who left for the United States and who continue sending many dollars to Mexico. Institutions specializing in gathering information on illegal workers have reported that all the illegal immigrants in that country earn approximately $30 billion, of which they send approximately 12 percent to Mexico. Last year they sent $3.673 billion, which was the largest income after oil, tourism, and the maquiladoras [assembly plants]. Most of that money has been distributed in the countryside.

Were it not for those remittances sent by illegal workers in the United States to the Mexican farmland, the agrarian reform would have failed many years ago and there would have been a very serious problem in the Mexican countryside. It is sad to say that such a potentially rich sector as the Mexican countryside has been able to survive, not because of the government's assistance plans, not because of Conasupo's [National Company for Basic Commodities] subsidies, but because of the remittances sent by illegal workers in the United States to their cousins, brothers, and parents who live in the Mexican countryside. When will the day come when our country will stand on its own and move forward with its own resources, and not only with what it receives from abroad, be it from international institutions or from Mexican workers who have had to go to other countries seeking better opportunities and from there continue to maintain a large part of the Mexican economy?

Honduras

Honduras: General Denies 'Anti-North American' Sentiment

PA1706193796 San Pedro Sula TIEMPO in Spanish 15 Jun 96 p 16

[By Santiago Cerna]

[FBIS Translated Text] Naco, Santa Barbara — General Mario Raul Hung Pacheco has described himself as a soldier who is not "anti-North American" and has pointed out that he has never said that "the United States wants to eliminate all the armed forces to become a superpower."

The chief of the Honduran Armed Forces explained: "The truth is that what has been said is not very true. I held a conference at the Rotary Club in Tegucigalpa and compared, in a historical way, the environment of the bipolar world of yesterday with the unipolar world in which we live today."

The officer defended his stand, noting that it is his own conclusion "and it is not what a daily says I have categorically said. Definitely not. Let's look at the new world order."

The general noted: "Something that has not been specifically said has been turned around. I am not anti-North American. I am for Honduras. The truth is that I knew I would have to face this avalanche from the media because the connotation of my expression was twisted."

With the armed forces living through their last days because "of the new world order," General Hung Pacheco hinted that "each state must make its own restructuring according to how it can best function."

Honduras: General on Efforts To Eliminate Military

PA1706180296 Tegucigalpa LA TRIBUNA in Spanish 14 Jun 96 p 8

[FBIS Translated Text] Supranational forces from the United Nations will reportedly replace the armed forces from poor countries, Armed Forces Chief General Mario Raul Hung Pacheco has said, in a conference on "The Armed Forces and the State" before the Rotary Club in this capital.

Without referring to any country in particular, the military chief stated that the current masters of the world, under the new world order, have resurrected the idea of eliminating the armed forces and security organizations to be able to subdue underdeveloped nations.

He recalled that at the last annual meeting of the World Bank, Robert McNamara proposed that international credit organizations make financing conditional upon a drastic reduction in military budgets.

"This would expedite the process to replace military institutions by UN supranational forces, which is the national security doctrine of the new world order," Gen. Hung Pacheco warned.

The new world order, some people could argue, questions the nature and need for the military, but "in countries like Honduras and with our geographical position, it seems that only a respectable military will permit a limited freedom for the accomplishment of our national objectives," he remarked.

"In every diplomatic action the negotiation ability is proportionate to the military supporting it. Our mission is to defend national interests, generating freedom to act for the preservation and strengthening of said interests, achieving the objectives in the other areas," Gen. Hung Pacheco noted.

The armed forces are a concurrent factor in the treatment of multiple conflicts which can be solved in areas other than the military area, because they are a support and allow the remaining power factors freedom to act.

Subordinated to Civilian Rule but Demanding Respect

He added that in a democratic society there are laws ensuring the military is subordinated to civilian rule and the armed forces by conviction know and accept that their role within society is not to give orders or determine national policy.

"The active forces of the nation must abstain from inciting or pressuring the armed forces in an attempt to destabilize the government. The civilian government will have to know how to oversee the armed forces with all due respect," Hung Pacheco added.

He disagrees with those who say that serving the fatherland by defending it is not a worthy mission, because the enemy has disappeared, and that arguing this is only a justification to preserve armed forces budget and jobs.

"The best and most intense peace-seeking aspirations have generated the strongest weaknesses that have promoted bloody war confrontations in the current century. Nations with their own legitimate interests and threats, conflicts, and risks have been a reality and will continue to exist," the officer pointed out.

There Is a Need for a Military Component

Gen. Hung Pacheco believes there is need for a military component that will at least exercise dissuasive power, otherwise, the cost will be higher in the long run, because those who subject the defense of their own interests on the means of others will end up looking after the interests of others.

Our challenge is to reconcile the strategic interests of the United States in Honduras, especially that country's struggle against drug trafficking, money laundering, and immigration issues, with our own national goals. Those goals need the armed forces for national defense purposes in the short and medium-term.

The Armed Forces of Honduras and the government must realize that the basic mission of a military component is the ability to defend the country; if this factor is present, secondary goals will be fulfilled.

We Do Not Know Where We Are Headed

During the question-and-answer period, the officer noted that the difference between Honduras and Costa Rica is that the latter does have national goals, but in Honduras "we do not know where we are headed; when there is a transfer of government we fail to follow up on programs due to partisan interests."

He added that the Civil Guard in that country is only different to the Honduran Armed Forces in name, because Costa Rica has more armed men than our country. "Another difference is that they do not have planes."

Hung Pacheco stated that the Costa Ricans have sold their image abroad successfully by saying what the peoples want to hear: No more conflicts, no wars. They, however, have a security corps in keeping with development.

He noted that in Honduras it is difficult for 6,000 policemen to offer security to 6 million Honduras, because one person cannot give that service to 1,000; and only half of that figure is working at one time, because shift work is involved.

In closing, Gen. Hung Pacheco announced that the Army Technical School will soon open to allow private businesses to send their youths to be trained in the afternoon. In the morning, youths will be trained to defend the nation and this will hopefully encourage youths to fulfill their military service.

Nicaragua

Nicaragua: INS Officials' Presence Viewed as 'Meddling'

PA1706164796 Managua BARRICADA in Spanish 13 Jun 96 pp 1, 8

[Report by Janelys Carrillo Barrios]

[FBIS Translated Text] Corinto, Chinandega — Reliable sources have told BARRICADA that U.S. Immigration officials, whom the Nicaraguan government has authorized to stop the flow of illegal aliens to that country, are already recruiting personnel from the Migration Office [Oficina de Migracion] to turn them into their informants.

In late May, BARRICADA reported the arrival of these agents who, identified as U.S. INS officials, would carry out duties exclusively pertaining to Nicaragua's Immigration and Aliens Directorate, in an action regarded as meddling in our country's internal affairs.

Mexican Francisco Velasco and Mexican-American Kevin Smith are two of the agents who, according to our sources, will stay three months in Nicaragua "to investigate into and learn about the smuggling of illegal aliens, stolen vehicles, drugs, and even state documents."

On the morning of 12 June, Velasco held a seminar for officials of the Immigration and Aliens Directorate's Reception and Control Office located in this port of the Pacific coast. He stressed that this work is being done as part of a "U.S. INS cooperation program" with the Nicaraguan Government.

In brief statements to BARRICADA, Velasco stated that he would indeed hold a seminar on forged documents to enable Nicaraguan immigrations officials to detect when and how illegal aliens carry forged immigration documents with the goal of entering the United States.

According to our sources, Velasco and Smith on 24 May personally participated in the detection and later deportation of Cuban Otilia Rosari Martinez and her daughter, Nora Ann McCarthy, who were trying to travel to the United States with forged passports. The status of this woman's and her daughter's documents was discovered by officials at the VIP Room of the Sandino Airport.

These officials treated them according to the rules; however, the U.S. officials personally inquired into the incident and "recommended" that all Cubans travelling under their same conditions be deported to their country without delay," our informants pointed out. [quotation marks are published]

Martinez and the girl were deported on 2 June. The sources reported that "this is the first case of this nature that takes place in Nicaragua."

Regarding this case, Velasco denied that the Cuban citizen was deported because of his recommendations, but admitted that "if there are problems with forged U.S. documents, they call me and I check if they are valid or not." He claimed to "have a great deal of experience with U.S. documents."

"We are here to support the Nicaraguan Immigration Office; they (our authorities) do a great deal with very little. If the U.S. INS can help Nicaragua's, we are going to try to help it," Velasco affirmed admitting that Smith, his companion, is doing the same thing he is doing. He added that his office is in Massachusetts, New Mexico, [as published] but that, for the time being, he is in charge of the Immigration Office for Latin America and the Caribbean.

Our sources believe that the positions these U.S. officials claim to have are a smoke screen, because their actual jobs are with the U.S. Treasury Department. Velasco denied this, because, according to him, the organization for which he works belongs to the Justice Department.

Velasco and Smith arrived in Nicaragua on 20 May on board a Continental Airlines plane. Belize, El Salvador, Guatemala, Panama, and Nicaragua are the countries of the area where they will hold their seminars. In our country, the seminar will be for immigration personnel working in Bluefields, Guasaule, Penas Blancas, and the Sandino Airport.

Nicaragua: Mission of U.S. Inspectors Viewed

PA1606043796 Managua BARRICADA in Spanish 14 Jun 96 p 7

[FBIS Translated Text] The mission of the so-called U.S. Immigration Service inspectors in Nicaragua includes a sort of persecution of certain officials and people close to them, according to the interrogation of a Costa Rican woman by one of these agents at the Sapoa border point.

On 31 May, Kevin Smith and Francisco Velasco, who according to well-informed sources are U.S. Treasury Department officials, traveled to that border point. There, Maria Josefina Lacayo Rivas, a Costa Rican citizen of Nicaraguan origin, was attempting to cross the border with eight Cubans holding fake U.S. passports.

"Velasco interrogated the woman and showed excessive interest in finding out if she was a relative of a high-ranking Armed Forces officer. He did not leave her in peace until he was satisfied that there was no connection," the source indicated.

"Shortly before, at the request of the Immigration Department, the officials had received a pass to allow them unimpeded movement throughout the airport," they added.

Our informants disclosed that the agents' arrival was announced by the U.S. Embassy back in April. Nevertheless, at the end of May, the Foreign and Government Ministries told BARRICADA that they had no information.

Since their arrival in our country, the agents have contacted personnel working for airlines that travel to the United States, and customs and immigration officials, for them to "cooperate" with the Immigration Service by reporting if they come across undocumented persons.

The sources said that "in excha[illegible] the agents offer them travel abroad or benefits that would be practically impossible to receive by employees in their position."

On Wednesday, BARRICADA approached Mr. Velasco, while he was holding a seminar for immigration officials in the port of Corinto, in western Nicaragua, but he denied that his mission is intrusive.

Among the activities that these agents do is inspect the so-called crossing points, where drugs, stolen vehicles, and illegal aliens are being shipped.

Nicaragua: Electoral Developments Through 15 Jun

PA1606033196

[FBIS Report] The following is a compilation of reports on developments leading up to Nicaragua's 20 October 1996 elections monitored through 15 June.

During a visit to the country's northern region, Juan Manuel Caldera, vice presidential candidate for the Sandinist National Liberation Front (FSLN), unveiled his party's programs for the farming sector. He stressed that the FSLN plan will guarantee that the country will again be Central America's granary. FSLN leaders Daniel Nunez, Tomas Borge, Lumberto Campbell, and Henry Ruiz accompanied him on this visit. (Managua Nicavision Canal 12 Television Network 0400 GMT 11 Jun 96)

THe FSLN's legal representative Rene Nunez Tellez filed yesterday a petition challenging six Liberal Alliance candidates for deputy because they allegedly renounced their Nicaraguan citizenship and are U.S. citizens. These candidates are: Lorenzo Guerrero Mora, Jose Rizo Castellon, Donald Spencer Frauemberger, Eddy Gomez Buitrago, Juan Escobar Fornos, and Enrique Sanchez Herdocia. Nunez Tellez asked Supreme Electoral Council (CSE) President Rosa Marina Zelaya to request the Foreign Ministry and the Immigration and Aliens Directorate to verify the documents of these candidates. (Managua BARRICADA in Spanish 13 Jun 96 p 8)

During the "In Depth" television program, Renewal Action Movement (MAR) presidential candidate Moises Hassan defended his decision to challenge the FSLN's presidential candidate, Daniel Ortega, by insisting that he wants the rule of law to prevail. He added that Antonio Lacayo's presidential bid is unrealistic because the law clearly disqualifies him from running. He added that the CSE must investigate if Alvaro Robelo, presidential candidate for The Integrated Nicaraguan Alliance, has Italian citizenship. (Managua LA PRENSA 14 Jun 96 pp 1, 6)

Julio Saborio, executive director of the Nicaraguan Association for Human Rights (ANPDH), has charged that in El Anzuelo, Matiguas Jurisdiction, an unspecified number of civic identification cards have an "x" mark written on slot number one, thus disqualifying the bearers from voting. The ANDPDH was informed that in Pueblo Nuevo Jurisdiction, Jinotega Department, only one voting place was installed to cover seven villages, which have a population of 3,000. (Managua LA PRENSA in Spanish 15 Jun 96 pp 1, 10)

Nicaragua: PUL Candidate Outlines Government Platform

PA1706192496 Managua EL SEMINARIO in Spanish 14-20 Jun 96 pp 12, 13

[Interview with Haroldo Montealegre, presidential candidate for Liberal Unity Party of Nicaragua, by Edgar Solorzano in Managua; date not given — first paragraph is EL SEMINARIO introduction]

[FBIS Translated Excerpt] Haroldo Montealegre is one of the bankers involved in politics because he does not want any more children in the streets, he says. That is why he is participating as the presidential candidate for one of the liberal factions. He is 42 years old, married, economist by profession, with conservative and liberal roots on his mother's and father's side. He is the founder of the Liberal Unity Party (PUL) and one of the chief critics of the government platform of fellow liberal Arnoldo Aleman, a platform, he tells EL SEMINARIO, that is immoral and non-liberal. His main government proposal is to create 500,000 jobs, repeal 75 current taxes, and guarantee economic democracy.

[Solorzano] What is your analysis of the phenomena that liberals are experiencing, since some joined an extreme right alliance, others a center left alliance, and PUL has a more centrist leaning.

[Montealegre] I want to tell you that the only reason I am involved in politics is because I do not want any more children in the streets but in schools, and I want their parents to have jobs. That is why I have proposed the creation of 500,000 productive jobs and to guarantee economic democracy in Nicaragua. I feel the liberal ideology that the PUL has published serves as a guide to implement the proposals I have made.

[Solorzano] How do you assess the electoral process?

[Montealegre] This elections presents two options. Between 500,000 jobs and economic democracy, and all the other candidates who are offering the same thing we now have.

[Solorzano] To what do you attribute the fact that liberals were not able to run united?

[Montealegre] The truth is this: The liberal parties that exist in Nicaragua now are not united, and that is natural because the political parties do not have primary elections in this country. When the conditions for well-developed primaries exist, then it is very easy to summon an internal debate before the elections. What is important is not that, however, the important thing is that the leadership always consists of persons inspired by specific principles. The PUL is the only party inspired by the liberal principles. The PUL is the only party to have a liberal candidate with a strong and clear promise. The rest have no promise nor do they adhere to the liberal ideology.

I must say, however, that we want the vote of all those who are in the liberal ranks and we invite them to because we know that if they study their leaders' programs they will see they are not adhering to the liberal ideas. We know that those in the liberal ranks do feel they are liberals and do recognize the liberal ideas when they see them. Therefore, we are seeking the vote all of Nicaraguans without distinction of political origin or political affiliation. [passage omitted]

[Solorzano] What is PUL proposing?

[Montealegre] Just talking of zero tax on imports changes the situation immediately in all the small and medium farm sectors because they can produce more and consume more. With free imports alone, 5 percent of the people would be malnourished and not 40 percent. In other words, 35 percent of Nicaraguans are malnourished to benefit four or five economic groups with ties to the authorities, in cahoots with the authorities.

In addition, we are talking about zero tax on production, distribution, and exports. This is very important to create jobs and train individuals. We believe everybody has to pay income tax. Only three taxes would remain: The real estate tax, a 10 percent tax on the end consumer, and a 15 percent income tax. This way we are going to collect more than we do today, because we would keep taxes on rum, bear, tobacco, and soda for 18 months.

[Solorzano] What is the party's structure, number of registered candidates, and how is it financed, and who is behind Haroldo Montealegre?

[Montealegre] We have registered candidates to most elective posts. The party is financed through contributions from its members, and we have not received a cent from abroad. We are going to start conducting fund-raising activities. We have a well-defined campaign program. Nobody, other than the people of Nicaragua, is behind the PUL.

Nicaragua: Venezuelan Embassy Personnel Get Death Threats

PA1606121596 Managua EL NUEVO DIARIO in Spanish 12 Jun 96 pp 1, 8

[Report by Vladimir Lopez]

[FBIS Translated Text] A National Police source has reported that Mariana Marling de Pulido, wife of the commercial attache of the Venezuelan Embassy in Nicaragua, and Horalia Pachuca, the embassy's third secretary, have also received death threats from individuals who are hiding their identity by using the telephone.

The police explained that the death threats received by Ms. Pulido, Mauricio Antonio Pulido Leon's wife, were made through a phone call to the diplomat's home on 9 June. It added that, on the same day, Ms. Pachuca also received at least one telephone call at her home threatening to kill her.

This situation forced the National Police command to increase the number of agents protecting the Venezuelan Embassy and the diplomats' homes.

The increase in the number of death threats against the Venezuelan diplomats is making staff officers of this diplomatic office in Nicaragua nervous. They are "thinking twice" before answering the telephone.

Baez: "The Voices Can Be Identified"

Meanwhile, Commander Juan Baez, National Education Department [Departamento de Instruccion Nacional] chief, said that agents under his command have been investigating the source of these calls since they started. "We have the capacity to identify the location of these calls as long as the victims cooperate," he pointed out.

Minister Leal Has Been Informed

In the meantime, the Foreign Relations Ministry, through public relations officials, reported that Foreign Minister Ernesto Leal has been aware of these death threats since 9 June. "The ambassador himself, Hernan Calcurian, personally informed Minister Leal of these death threats," spokesman David Silva affirmed.

He added that the foreign minister that same day talked to Government Minister Sergio Narvaez, who pledged to reinforce the protection of the Venezuelan Embassy and the ambassador's home.

The Case Gets Complicated

The terrorist harassment against Calcurian and the rest of the Venezuelan diplomatic personnel working in Managua started following the publication in Caracas of a "confidential" memorandum, in which the ambassador supposedly informed his government of the funneling of Venezuelan funds to the political campaign of Pronal [National Project].

This "confidential" report states that $30 million allocated for the Venezuelan Investment Fund, FIV, for the construction of the Boaco-Muy Muy road were allegedly funneled to finance Antonio Lacayo's campaign.

At the beginning, Ambassador Calcurian neither denied nor confirmed the memorandum's contents. According to certain media, he only limited himself to saying that in order to make public explanations he needed his government's approval.

Following these telephone calls, it has been impossible to talk to Calcurian, because, logically, he does not even want to answer the telephone.

Panama

Panama: Galindo To Become Adviser for President

PA1706164496 Panama City EL PANAMA AMERICA in Spanish 17 Jun 96 p A1

[Report by Juan Manuel Diaz C.]

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo, who returned to Panama yesterday, will leave his minister's post and become one of President Ernesto Perez Balladares' main advisers, an official source has reported.

After staying for one and a half months in Miami, recovering from a pulmonary ailment, Galindo arrived at the National Air Service terminal at 1005, where he was received by Minister of the Presidency Raul Arango, relatives, and Foreign Ministry associates.

A Foreign Ministry source reported that Galindo will meet with Perez Balladares and report on the status of the relations with the United States and his own health.

Although he has considerably recovered, it has been recommended that he do not try to keep up with the work pace that the Foreign Ministry requires. For this reason, he will resign, a reliable source reported.

His own brother, businessman Samuel Lewis Galindo, has recognized this situation and suggested that Gabriel might be appointed ambassador or minister plenipotentiary.

It has also been reported that an office has already been set up for him on the first floor of the Presidency.

The strongest candidate to replace Galindo is Ambassador to Panama Ricardo Alberto Arias, who was Acting Foreign Minister during Galindo's absence.

Arias, who flew to Washington on Thursday, met with Barry McCaffrey, the U.S. drug czar, Robert Gelbard, Assistant Secretary of State for International, Narcotics, and Law Enforcement Affairs, and Jeff Davidow, new Secretary of State for Inter-American Affairs.

Panama: Foreign Minister on Illness, 'Possible' Departure

PA1806033296 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Jun 96

[From the "RPC Television News" newscast]

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo has returned to the country following a series of unofficial reports on his possible departure from office for health reasons. This decision is still pending the president's analysis, the foreign minister stated, when talking this morning to our colleagues Hugo Famania and Rolando Aizpu. Lewis Galindo recognized that his health condition prevents him from being a full-time foreign minister.

[Famania] Foreign Minister Gabriel Lewis Galindo returned to the country over the weekend aboard the presidential plane. His arrival came at a time unofficial reports said he would leave the Foreign Ministry. If these reports are true, this would represent the first ministerial change in the cabinet of Ernesto Perez Balladares, which has remained unchanged since September of 1994.

A pulmonary ailment has kept Lewis Galindo in the United States, resting and under medical observation.

[Begin recording] [Lewis Galindo] Right now my disease has been halted. This is a progressive illness. It is like a volcano; one does not know when it will explode. But thank God, it has been stopped right now.

I have returned to the country with optimism, with the desire to work, with the desire to improve the standard of living of the Panamanian people. I want to help create jobs. I will continue to work in this direction, working closely with the president and we will get ahead.

[Famania] Does this make your departure from the Foreign Ministry official?

[Lewis Galindo] I will meet tomorrow with the president to make a final decision on that.

[Famania] In the meantime, what are your plans to continue to work for Panama. From which post will you continue to work?

[Lewis Galindo] We will know that after I talk to the president.

[Famania] What will you evaluate with the president to make a decision?

[Lewis Galindo] Well, we will examine my health condition, the country's current situation. We will see how I can contribute, health permitting, for the benefit of the country.

[Famania] What about the visit you paid today to the Foreign Ministry building?

[Lewis Galindo] It was a very emotional visit. I was very moved to see the love, dedication, and affection of personnel.

[Famania] Do you believe your health condition allows you to remain at the Foreign Ministry?

[Lewis Galindo] We will evaluate that. I could not be a full-time foreign minister, but we will see. [end recording]

[Famania] The foreign minister made the aforementioned statements following the welcome accorded to him at the Foreign Relations Ministry building. Reports indicate that Lewis Galindo may be appointed minister, plenipotentiary ambassador, or presidential adviser, both for foreign relations and foreign investment promotion. He has been a key figure in this area.

The possible departure or stay of the foreign minister at his post is still unclear. The only thing we know up to now is that this question will be defined on Tuesday.

Panama: Canal Expects No Policy Changes After U.S. Report

PA1706193196 Panama City EL PANAMA AMERICA in Spanish 17 Jun 96 p E12

[By Arnulfo Barroso W. and Ruth Rodriguez]

[FBIS Translated Text] Panama Canal Administrator Gilberto Guardia has reported that the forthcoming report by the U.S. Army Corps of Engineers will not substantially change the maintenance and investment policy of the Panama Canal Commission [PCC].

Guardia explained that preliminary information from the aforementioned report points out that the recommendations by the Army Corps of Engineers agree "for the most part" with the policy of accelerating the PCC's program for the modernization of the waterway.

The modernization program includes, up until the year 2005, approximately 500 million balboas in improvements that range from the purchase of machinery with greater capacity and technology to the widening of Gaillard Cut.

Guardia stressed that the report by the Army Corps of Engineers will soon be presented to the public and the international maritime community.

Meanwhile, he said that the backlog of ships that is now observed at the Canal's entrance is the result of an unusual increase in world trade occurring at a time of the year when Canal transit is low.

He denied that the Canal is losing its adequacy with regard to the growth of world trade, and he insisted that the acceleration of the modernization program being implemented by the PCC seeks to cope more quickly with an increase in traffic.

On the other hand, Guardia estimated that the Canal will continue operating efficiently after the year 2000 so long as it "remains away from petty politics."

He added that this can be guaranteed only through the good judgment of the future rulers of Panama in choosing the administration officials for the Canal.

He said that we must prevent petty politics from being used in the Canal structures, "because if we allow this to happen, the appointments will be made, not by merit, but by cronyism."

To this effect, he said that the basic law is going to play an important role, but the "fact that we manage to get a good basic law does not ensure that we will achieve that."

The law is essential, but it does not guarantee that the Canal is going to remain removed from politics, Guardia emphasized.

Guardia pointed out that people call him asking him to help them secure a job in the PCC, but the administrator "is the last person who should do that."

Likewise, he said that the Canal organization functions in a decentralized manner; problems are resolved at each administrative center, and this includes each level of worker, he noted.

Panama: Construction of Naval Base to Indians Justified

PA1706040996 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Jun 96 p A2

[Report by Esteban Huertas G.]

[FBIS Translated Text] The construction of a naval base in the area of Puerto Escoces, San Blas, is intended to counter drug trafficking, piracy, gunrunning, theft of archaeological pieces, and illegal fishing, Government and Justice Minister Raul Montenegro said yesterday on the Island of Ustupu, before the General Kuna Indian Congress.

One of the highlights of Montenegro's remarks is that the government seeks to safeguard the lives of Indians, given the fact that the territory of this Indian reserve has little security in the face of the proliferation of illicit activities that occur in the Atlantic area.

The Puerto Escoces Naval Base will be located 20 miles from the Colombian border and its objective is to counter terrorism, looting, vandalism, and piracy affecting the Indian reserve.

Government and Justice Minister Montenegro reiterated that the government has demonstrated its respect for the ethnic minorities and Indian reserves, as well as concern for providing security and protection.

Meanwhile, Kuna legislator Enrique Garrido has stated that "he does not oppose" the construction of the naval base. He remarked, though, that the base should be built on the Panama-Colombia border area, Rio La Miel and Cabo Tiburon.

One of the concerns of the Kuna Indian population, Garrido added, is that the area selected by authorities is far from the border, adding they should have chosen Puerto Obaldia.

In the meantime, he disclosed that the current administration must listen to the opinion of the Kuna Indians, because it is difficult to change a tradition and culture dating back more than 500 years.

Panama: PRD Leaders Say Amnesty Bill 'Buried'

PA1506154196 Panama City LA PRENSA in Spanish 12 Jun 96 p 1A

[Report by Manuel Alvarez Cedeno and Urania Cecilia Molina]

[FBIS Translated Text] Yesterday, top leaders of the PRD [Democratic Revolutionary Party], including Mitchell Doens and Francisco Sanchez Cardenas, said that the amnesty bill that PRD legislators proposed at the Legislative Assembly was "buried and is history," and thus, no PRD follower "will dare to propose it again."

The legislators decided to not discuss this bill in a second debate due to a request by President Ernesto Perez Balladares to not give the opposition the opportunity to use it to promote violence.

Some members such as Roberto Abrego, chairman of the Assembly Government Committee, said that this polemic bill will be brought up again during the next legislative period.

PRD First Assistant Secretary Mitchell Doens, however, noted: "I believe the Amnesty Bill was buried because it was withdrawn from debate at the Assembly, because the government seeks to reconcile the Panamanian family, but conditions leading to confrontations had been created."

"This is an issue that I think we terminated at the PRD because it was buried," he added.

Doens pointed out, however, that "we must somehow help" those people on the amnesty list who are victims of "judicial terrorism."

Meanwhile, Second Assistant Secretary Francisco Sanchez Cardenas noted in Capira that the Amnesty Bill is already part of history.

Sanchez Cardenas added that he does not believe any legislator will dare propose it again within the legislative branch after the way the citizens rejected it.

The assistant secretary of the PRD's CEN [National Executive Committee] added that the order in which this bill was placed within the legislative agenda will make it impossible to discuss it during the current session that ends on 30 June.

Sanchez Cardenas said that the amnesty proposed by the Catholic Church to the Perez Balladares administration could be a less traumatic option. This proposal involves granting pardons to inmates who, although not formally sentenced, already completed terms.

Panama: Officials Downplay Threatening Calls to President

PA1506123196 Panama City Telemetro Television Network in Spanish 1730 GMT 12 Jun 96

[Report by Julil Elena Alvear; from the "Telemetro Reports" newscast]

[FBIS Translated Text] Panamanian security organizations have said nothing to the media regarding the threatening telephone calls to the president. In fact, they seem more inclined to talk about the international media's criticism. Government Minister Raul Montenegro believes this may be part of a plot to destabilize the government.

[Montenegro] "The country is being subjected to international media terrorism with the intention of minimizing the international tours that the president has carried out. My presence at this event confirms the efforts exerted by the government so that the country's security will allow the development of tourism programs that should result in additional revenues for the Republic of Panama in excess of $400 million by 1997.

[Begin recording] [Alvear] Who is behind this terrorist plan through the international media, sir? Whom do you suspect? Why do you call them terrorists?

[Montenegro] I believe this is a new mode of international media terrorism because it involves slandering a country that makes way for progress and slandering a government that works by casting aspersions without giving specific evidence. I think you know more about this than I do because you are aware of the source of this information. [end recording]

Unofficial sources indicate that the telephone call was traced and the house from which it was made was located. The house was raided by the authorities and, according to the owner of the residence, she had lent her telephone to various persons so the one who actually made the call could not be identified.

Moreover, National Police Director Jose Luis Sosa referred to the issue and said the president of the Republic is a public figure and, as such, is always susceptible to this.

[Begin recording] [Sosa] The president is a man who won the elections and, as he has personally said, a percentage of the population may not always agree with him.

[Alvear] Could this involve possible threats on his life?

[Sosa] I have already told you that everyone who chooses to become a public figure faces the risk of receiving threats.

[Alvear] How can this be interpreted? Is there any information on this?

[Sosa] No. No. [end recording]

Argentina

Argentina: Brazilians Sign Integration Declaration

PY1706235296 Buenos Aires TELAM in Spanish 2003 GMT 14 Jun 96

[FBIS Translated Text] Resistencia, 14 Jun (TELAM) — Governors from southern Brazilian states and northeast Argentine provinces signed the "Declaration of Resistencia" at noon today. They agreed to hold a meeting on 29 November in the city of Campo Grande, Mato Grosso do Sul State, with the goal of enhancing regional ties at the Mercosur [Common Market of the South] level.

The 11-point declaration emphasizes "the governors' satisfaction over the documents signed by the Argentine and Brazilian presidents in April 1996 in Buenos Aires."

The declaration establishes the formation of "new technical working groups that will meet the regional goals of enhanced interaction in the field of dynamic integration actions."

The declaration wants "the federal authorities from the two countries to effectively implement all the measures required for facilitating the exchange of people and goods."

"As substantial issues" among various topics, the governors add those involving infrastructure, health, culture, education, tourism, border affairs, environment, security, science and technology, and technical cooperation.

The governors from various Argentine provinces and Brazilian states arrived on the morning of 14 June in Resistencia. During a ceremony presided over by Chaco Governor Angel Rozas, the governors received protocol honors at the Resistencia international airport.

Raul Rolando Romero Feris, Corrientes governor and Crecenea [expansion unknown] president; Chaco Governor Angel Rozas; Santa Fe Governor Jorge Obeid; Formosa Governor Gildo Insfran; Misiones Governor Federico Puerto; and Entre Rios Vice Governor Hector Alenis participated in the ceremony.

Paulo Vieira, Santa Catarina governor and Codesul [Council for Far South Development] president; Antonio Britto Filho, Rio Grande do Sul governor; Wilson Barbosa Martins, Mato Grosso do Sul governor; and Parana Governor Frik Kerin represented Brazil. They were headed by Brazilian ambassador to Argentina Marcos Castrioto de Azambuja.

Uruguayan, Paraguayan, and Chilean representatives, who also participated as observers, were "interested in formalizing their participation in border development and integration proposals."

Castrioto de Azambuja described his presence as "witness of this significant time of integration and agreement" between the two countries. He noted: "The Declaration of Resistencia will be received by President Fernando Cardoso, as an extraordinary and meaningful expression of current actions between neighboring and fraternal countries."

Concerning the ceremony and the tour of Argentine President Carlos Saul Menem, who "represented all of us" in Europe, the Brazilian ambassador pointed out: "We experienced an extraordinary week." He emphasized that it was the first time that the president of a Mercosur country "traveled and spoke for all four presidents."

The Brazilian ambassador indicated: "It is a privilege for me to perform as Brazilian ambassador to Argentina. It is extremely fortunate for me to work for a cause in which I believe completely. I am therefore carrying to Brazil the testimony that we are building our future together."

Santa Catarina Governor Paulo Alfonso Evangelista Vieira emphasized that Mercosur will be expanded with the entry of "our brothers from Chile and, perhaps, Bolivia."

Upon welcoming the visitors, Chaco Governor Angel Rozas recounted Mercosur's beginnings and background. He emphasized: "It is a political project that seeks economic development, with social justice, based on market expansion, technological development, and state modernization."

The Chaco governor underscored: "Mercosur also involves the operation of a supranational organization, after recognizing the sovereignty of each participant state."

Angel Rozas pointed out: "It is important for us to become aware of the fact that the economic development based on market expansion must essentially serve to improve the standard of living of the people who are living in this privileged subregion."

Raul Romero Feris, Corrientes governor and Crecenea president, expressed the satisfaction "experienced by all of us who have been taking for a long time this responsibility of working jointly, within the framework of integration."

The Corrientes governor emphasized that this is the third meeting that this forum is holding in "less than one and one-half years," which "permits us to make quick progress."

Romero Feris emphasized the projects that have been drawn up "and already are being implemented." He singled out the case involving the Santo Tome-Sao Borja bridge "that our communities on the two river banks had been harboring for a long time."

Argentina: Menem Returns From European, African Tour

PY1706144696 Buenos Aires TELAM in Spanish 0049 GMT 16 Jun 96

[FBIS Translated Text] Buenos Aires, 15 Jun (TELAM) — President Carlos Menem today returned to Argentina after a one week tour of Belgium, Luxembourg, and Morocco during which progress was made in the process of integration between Mercosur [Common Market of the South] and the EU.

Menem arrived at the military area of the Jorge Newbery metropolitan airport at 2100 aboard the Tango 01 Virgen de Lujan presidential plane from Morocco.

The president was received by Cabinet Chief Jorge Rodriguez. He left the airport without talking to reporters.

He was accompanied by his daughter Zulema Maria Eva, Presidential Secretary General Alberto Kohan, and Navy Chief Admiral Enrique Molina Pico, among others.

In Morocco, Menem ended a tour that started on 8 June at a meeting with EU members in Brussels, in his capacity as Mercosur pro-tempore president, and on the possibility of Argentina's entry into the African market.

Argentina: Menem Reviews Relations With Europe, Morocco

PY1706182996 Buenos Aires TELAM in Spanish 1819 GMT 15 Jun 96

[Report by special correspondent Nieves Guerrero]

[FBIS Translated Text] Marrakech, Morocco, 15 Jun (TELAM) — President Carlos Menem today praised the integration between Mercosur [Common Market of the South] and the EU, and suggested the possibility of entering Africa through Morocco.

The president said: "Besides bilateral relations with Morocco, we are interested in the integration process between Mercosur and the EU, and Mercosur and the rest of the American continent."

Asked about a union between Mercosur and Africa, Menem said there is still "a long way to go."

Menem talked with reporters before returning to Buenos Aires after ending his tour that started in Brussels on 16 June.

The president outlined "the possibility of entering the African market, particularly the Maghreb, through Morocco, and also the EU."

Menem explained: "The process (of integration) with the Maghreb and its zone of influence is underway, but it will require time."

Menem characterized his tour of Morocco as "successful," stressing the fact that all conditions are given "for Argentina to start doing business in this entire area."

The president stressed that for the first time "an Argentine president has visited Morocco, which is very important in many ways," referring to the possibility of integration with Africa.

Menem said: "It is important for Argentina to place its agricultural and livestock production here, particularly following the agreement on sanitary conditions that was signed at the Royal Palace," when he met with King Hassan II.

Menem also talked about "agreements on technical assistance, tourism, and other agreements between Moroccan and Argentine entrepreneurs (who met in Rabat on 13 June) on commercial items."

The president made special mention of "the investment guarantees agreement, which is very important" and stressed that yesterday "in Casablanca, Moroccan phosphate processing and manufacturing entrepreneurs discussed the purchase by Argentina of 40,000 tonnes of this fertilizer."

Menem stressed: "Conditions are right for this commercial exchange, which today barely reaches $60 million, to increase to $150 million."

Asked about Argentina's possibilities of participating in the Moroccan privatization process, Menem said: "We can offer them all our experience (in this process) which they began in 1980 and which they have not concluded yet."

Menem recalled: "We are practically at the end of our own process which began in 1989."

The local press reported not only Menem's meetings with King Hassan II and Prime Minister Abdellatif Filali but also "the presence of an important delegation of Argentine entrepreneurs who are in Morocco to do business within a framework of cooperation," as stressed by the local daily LIBERATION.

Menem received a warm reception with abundant Moroccan traditional elements. Menem's stay was surrounded by expectation and enthusiasm, which was evident among government representatives, Moroccan entrepreneurs, and common citizens.

The Argentine head of state ended his tour of Morocco in Marrakech, from where he returned to Buenos Aires with daughter Zulema Maria Eva, Presidential Secretary General Alberto Kohan, and Army Chief Admiral Enrique Molina Pico, among other members of the entourage.

Menem departed Morocco shortly before 0830 Argentine time (1130 in Morocco) aboard the "Tango 01" presidential plane. His arrival at the Jorge Newbery metropolitan airport is scheduled for 2100.

Before visiting Morocco, Menem — as pro-tempore Mercosur president — visited Belgium, where the EU has its headquarters. Here he met with the highest EU authorities.

During his meeting with EU members, Menem closed bilateral phytosanitary agreements and cooperation agreements for the peaceful use of nuclear energy.

Argentina: Cavallo on 'Bipartisan Corruption Mechanisms'

PY1706123296 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0312 GMT 14 Jun 96

[FBIS Translated Text] Buenos Aires, 13 Jun (NA) — Economy Minister Domingo Cavallo tonight announced the existence of "bipartisan corruption mechanisms," made up of Justicialist [Party — PJ] and UCR [Radical Civic Union] leaders, mechanisms that are being used "for financing politics."

Cavallo indicated that such "mechanisms" actually led to cases of alleged corruption, as the contract between the IBM company and the National Bank, and the illegal arms sales to Ecuador.

The economy minister emphasized: "The mistake that we made (in the IBM-National Bank case) is identical to the one we made regarding the arms issue. Our mistake was that we failed to dismantle bipartisan corruption mechanisms for financing politics."

Cavallo also accused the UCR of "distraction" when charges linked to the Post Office are being discussed, as there are "UCR politicians who are linked to [Post Office entrepreneur Alfredo] Yabran."

Cavallo indicated: "You (the UCR people) are the ones who are distracting the attention, as I went to Congress to discuss the Post Office issue and you raised this (the National Bank) issue, preventing me from discussing the Post Office issue."

In this regard, the economy minister noted that the UCR people "do not want the Post Office issue to be raised," after he linked former Deputy Raul Baglini, former Deputy Cesar Jaroslavsky, and congressman Enrique Benedetti "to (Alfredo) Yabran's mafia."

Cavallo accused the UCR administration of Raul Alfonsin of having "knowingly used third countries to sell arms" to Iraq through the so-called "Project Condor."

The economy minister noted: "Let's review the arms issue. There isn't a more conspicuous third-country operation than using Argentina for selling German-made arms, allegedly consigned for Egypt, to Iraq through Project Condor!"

Argentina: Bank President on IBM Computerization Contract

PY1506031196 Buenos Aires TELAM in Spanish 2132 GMT 13 Jun 96

[FBIS Translated Text] Buenos Aires, 13 Jun (TELAM) — Argentine National Bank President Roque Maccarone has emphasized that, despite the unilateral annulment of the IBM computerization contract today, every precaution has been taken to prevent the Argentine National Bank from having problems with its computer systems.

A few minutes after the Argentine National Bank board of directors announced this measure, Maccarone said: "We took every precaution to prevent any type of problem." He made remarks at the Economy Ministry this afternoon.

During a break in a ceremony for opening bids on Tabacal company stock, Maccarone explained: "We implemented an annulment, and not a rescission. Had we implemented a rescission, the contract would have become effective as of today. We even annuled all the proceedings that have been carried out so far."

Maccarone emphasized that the Argentine National Bank had asked the multinational company "to reimburse us the funds that we paid them and additional funds as a compensation." He did not supply specific amounts.

When Aldo Dadone was Argentine National Bank president, the National Bank paid 82 million pesos for computerizing more than 500 branch offices across the country, as part of a 249-million peso contract.

Asked what would happen if, vis-a-vis this decision, which was not agreed upon with the IMF, the company decides to remove the entire computer backup from the bank, Maccarone responded: "We have taken measures to prevent this from happening."

Two hours before the annulment announcement, an important meeting was held at the Economy Ministry. National General Trusteeship head Hector Agustini and

Public Function Secretary Claudia Bello also participated in the meeting, which was presided over by Economy Minister Domingo Cavallo. The annulment measure was reportedly taken at the meeting.

The two-passage Argentine National Bank communique notes: "Following technical and legal reports issued during the review of the IBM contract, named Centenario Information Science Project, the Argentine National Bank board of directors today annuled it, as it was illegal and could not meet the established goal, for reasons that were beyond the administration's control."

"Breach of contract, which did not meet the established deadline, was also confirmed."

Bolivia

Bolivia: OAS Rejection of Helms-Burton Law 'Good News'

*PY1706234996 La Paz LA RAZON in Spanish
6 Jun 96 p A4*

[Commentary by Jose Luis Roca: "The OAS and Cuba: At Last a Categorical Resolution"]

[FBIS Translated Text] The OAS unanimous rejection of the anti-historic and anti-juridical Helms-Burton law on Cuba is good news for the international community. It is a severe moral sanction and a practical way to face the problems raised by the Pax Americana where a single super power has absolute predominance. Even though the text of the OAS resolution used the soft term "concern" and transferred the case to the Inter-American Juridical Committee seeking a more well-founded and definitive position on the issue, the warning to the United States is unequivocal and opportune.

The Helms-Burton law (named after the congressmen who proposed it) contemplates economic sanctions not only against Cuba, but also against countries and companies trading with the island. It is the last and desperate effort to destabilize a political and social regime that does not please the superpower and which, nevertheless, continues in effect with the support of its people and, to a good extent, also with the support of the international community.

The resolution we are talking about mentions Articles 10 and 34 of the OAS Charter and points out the duty of American states to respect the rights of other states in accordance with international law. The resolution also recalls current inter-American community efforts to eliminate trade obstacles, pointing out that the law in question obstructs, makes difficult, and penalizes those efforts, contradicting the most essential principles proclaimed in other scenarios. The resolution finally censures "the application by member countries of laws and regulations when their territorial claims affect the sovereignty of other states."

"Diplomatic hypocrisy" was the only argument that U.S. representatives hit upon once they knew of the position of all countries in the hemisphere, including Canada. In their opinion, more important that the sovereignty of a country and its right to self-determination is the solidarity that must exist with the United States and its condemnation of the Fidel Castro regime. But the Cuban regime has resisted so many storms caused by its very powerful neighbor that it has risen to the category of invincible by now.

The tragic thing about the U.S. position is that it does not reflect the country's international position but its domestic politics. The Cuban anti-Castroist lobby has become increasingly more powerful in Washington and the votes of that community are too valuable for any candidate. That is the difference between Cuba and other "outcast" nations that receive U.S.-imposed economic sanctions, such as Iraq, which always receive softer sanctions. This is due to the fact that Iraqi votes do not have an effect on the U.S. presidential elections as the effect caused by the hundreds of thousands of Cuban exiles. They have assumed the harshest possible position, which aggravates the situation considerably.

We can only hope that once the elections are over with the confirmation of Bill Clinton in the presidential seat, the U.S. Administration will tone down its repressive impetus and will become more in tune with what civilization and good behavior demand.

Bolivia: News Summary for 14 Jun

*96CA0210A (Internet) Bolivian Social Communications Ministry WWW in Spanish
14 Jun 96 Morning Edition*

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Front Page News Briefs

President Allows Congress to Handle 'Sobredietas' Case

President Gonzalo Sanchez de Lozada chaired the meeting with leaders of his party at which it was decided that the deputies implicated in the 'sobredietas' [congressional corruption scandal in which deputies tried to lengthen their government service time to qualify for larger longevity bonues] case would not be turned over to the regular judicial system, but instead to a congressional commission headed by a member of the MNR [Nationalist Revolutionary Movement] who anticipates favorable treatment for the accused. The MBL [Free Bolivia Movement] has set a deadline for its allies in the MNR to rethink its position. All of the opposition has denounced this corruption coverup.

President Supports 'Sobredietas' Handling

Arguing that legal procedures are being followed, the 'sobredietas' case has been turned over to the Constitution Commission of the Chamber of Deputies, with the approval of the president and head of the MNR, Gonzalo Sanchez de Lozada. The decision was officially announced yesterday evening by the MNR executive secretary, Raul Lema, after a meeting of the government's party's political leadership. [passage omitted]

MNR Pulling Strings to Take Over COB

As it did two years ago, the MNR seems ready to back the miners' candidate Salas for a new term in the COB [Bolivian Labor Federation]. Palenque's party [CONDEPA—Conscience of the Fatherland] has joined with the "anti-government bloc" composed of miners and coca growers. Pancorbo and Evo seem prepared to withdraw their candidacies in favor of "Huracan" [Hurricane] Ramirez.

Extraordinary Congress Unproductive

During its first week, only one issue was dealt with: the "corrupt" deputies who are to return to their seats in the Chamber with the support of the MNR, against the opposition of MBL and of the political parties outside the government coalition.

Political News

MNR Interrupts Yesterday's Session

The MNR bench caused the suspension of yesterday's special session because of the lack of a quorum, since "a number of MNR deputies inexplicably left the session." Opposition deputies immediately denounced this action as a new insult to the Chamber and a waste of time.

After approving two Chamber resolutions in favor of the former vice president and former deputy director of the MNR, Nuflo Chavez Ortiz, a number of deputies left the Chamber, and when the roll was called, only 60 members remained. The minimum number required for a quorum is 67 representatives.

MBL Explanation About 'Sobredietas' Case

The president of the republic and national head of the MNR, Gonzalo Sanchez de Lozada, has received a report from the MBL concerning its position opposing the return to Congress of the deputies implicated in the 'sobredietas' case.

The foreign minister and president of MBL, Antonio Aranibar, stated that his party's position was explained to the chief executive in his capacity as head of the government coalition.

ADN Asks for Normal Judicial Treatment

14 former deputies who were removed or who have resigned their seats should be turned over to the regular judicial system because of their involvement in the 'sobredietas' case, stated the deputy director of ADN [Nationalist Democratic Action], Enrique Toro.

Toro stated his party's position on the new illegal payments scandal, and emphasized the need for the issue to be dealt with through proper legal channels.

'Sobredietas' Case Divides Coalition, Blocks Legislation

The new scandal caused by MNR attempts to absolve from blame, judgment, and punishment the deputies who collected 'sobredietas' has seriously threatened the government coalition's unity and paralyzed the legislative work of the Extraordinary Congress which began on 10 June.

While members of the opposition are shouting accusations that the president of the Chamber of Deputies, Guillermo Bedregal, has the greatest interest in defending the corrupt deputies, the MBL and UCS [Solidarity Civic Union] allies of the MNR are threatening to leave the coalition if the case is not turned over to the regular judicial system, which they say should be the venue responsible for punishing the guilty and clearing the innocent. [passage omitted]

Technical Meetings on Article 60 Begin

The government has begun talks with parties represented in Parliament on technical issues related to the application of the Constitution's Article 60 concerning the election of uninomial deputies, said Minister of the Presidency Guillermo Justiniano.

Justiniano is in charge of the technical commission that is to analyze this controversial matter. He announced that today he will meet with the National Electoral Court in order to discuss its views. [passage omitted]

All Chapa[illegible] Coca Should Be Eradicated

The papal nuncio, Giovanni Tonucci, agreed with the government's position that the Chapare is a "major cocaine factory," and expressed his support for its total eradication from that area of Cochabamba.

In statements made after reading his message on the occasion of Father's Day, the prelate said that the Chapare's coca should be reduced to "zero," that is, totally eliminated since it is used for producing cocaine.

According to the papal envoy, the Chapare coca leaves have caused an increase in cocaine production.

Decrease in U.S. Aid Denied

Minister of Government Carlos Sanchez Berzain indicated that there is no cause for concern about an alleged cutback in economic aid to Bolivia from the United States for the antidrug program.

"I do not know where this information about a decline in U.S. aid came from; it has actually increased this year," he remarked. [passage omitted]

Government Warns Coca Growers About Speech

Minister of Government Carlos Sanchez Berzain said that the coca-growers leaders should be very careful about what they say, as they may commit crimes by their speech.

Last Wednesday a coca leader and active member of the Confederation of Campesinos, David Herrada, said that if the government continues to eradicate coca plants in the Chapare by force, the campesinos "will rise up in arms." [passage omitted]

Economic News

ENRON Negotiations

Negotiations with the multinational ENRON are being conducted without any set limits or time schedule until the consensus needed to ratify the points raised by Bolivia has been reached, said the national secretary for energy and hydrocarbons, Mauricio Gonzales.

Advances have been made in the negotiations with agreements reached on certain complex points which were resolved after intensive work was done by negotiating teams representing both parties. [passage omitted]

Brazil

Brazil: Entrepreneurs Rebut EU Criticism of Mercosur

PY1406144196 Sao Paulo GAZETA MERCANTIL in Portuguese 11 Jun 96 pp A1, A4

[By Maria Clara R.M. do Prado]

[FBIS Translated Text] Foreign Minister Luiz Felipe Lampreia on 10 June gave a clear message to his colleagues, the representatives of the 15 European Union [EU] countries: Europe runs the risk of lagging behind the United States in the process of integration with Mercosur [Common Market of the South], unless it takes faster steps in the discussions for creation of a free trade zone in 10 years.

"The signing of a master agreement (in December 1995 in Madrid) between the European Union and Mercosur is not sufficient, and we must go beyond that," Lampreia said at a meeting of the foreign ministers of the EU and Mercosur countries, held on 10 June in Luxembourg. This is the first time that after the Madrid summit such a high-level meeting is held to outline the first political features of the agreement.

In Brussels today, the representatives of EU and Mercosur countries will meet again, this time to address commercial and economic matters. "It will be an organizational meeting to create a subcommittee of commerce and to establish the rules for the operation of this subcommittee," Jose Botafogo Goncalves, undersecretary general of integration, economic and foreign commerce affairs, told this newspaper.

Progress, which has been actually slow, has made Lampreia emphasize the achievements in the debates within the Free Trade Agreement of the Americas (FTAA) since 1994 in Miami, in the United States, when a decision was made to eliminate commercial tariffs in the region as of 2005. The EU and Mercosur had not yet held any meeting. Rather than being faced with a bureaucratic problem, yesterday it was clearly seen that some EU representatives continue to look at Mercosur countries with skepticism and — even worse — with total disinformation on what is happening in the region.

In Brussels, Pierre Defraigne, one of the EU directors for North- South relations, criticized the Mercosur banking system, which — as he put it — is inefficient and cannot finance domestic investment. Speaking in the morning at a seminar sponsored by the European-Latin American Relations Institute (IRELA), he also criticized the Brazilian soybean production system, which, according to a report that he read and the he believes was issued by FAO, is exhausting Brazilian soil.

He also made a general criticism against Latin America's low economic growth rate, in addition to criticizing what he considers a low index of diversification of Mercosur exports.

Defraigne was even rude with Brazilian Rural Association President Luiz Marcos Suplicy Hafer, who during a break asked him the reason for which he said Brazilian soybean production is not sustainable. "I will not answer this question. You should have posed your question before, during the debate," was the response by a visibly upset Defraigne. Luiz Fernando Furlan, president of Sadia and vice president of the Sao Paulo State Federation of Industries (FIESP), patiently explained that Brazil produces soybean through a rotating system that instead of exhausting the soil, actually helps to enrich it. "I invite you to come to Brazil and see for yourself," Furlan said in response to Defraigne's words.

Edmundo Klotz, president of the Brazilian Food Industry Association (ABIA), said that the criticism by Defraigne reflects the EU's disinformation about Mercosur. "We have to be more active, transmitting accurate information on what is happening in Brazil and in Mercosur," Klotz said.

Europe has a serious problem, which has to be resolved at the farm policy level, which is highly subsidized and highly protectionist. This policy has particularly affected Mercosur's food product exports for Europe. Economist Winston Fritsch, president of the Kleinwort Benson do Brasil investment bank, noted that the preferential commercial regime designed by Europe follows a colonial model. He summarized by saying that "it is a system whereby you might import freely — and without paying any fees — a pair of skis from an African country, fore example."

European entrepreneurs themselves admit that Mercosur is important for Europe as an additional market where they can expand their sales. Little has been said, however, about the opposite — that is — to consolidate a European market opened to Mercosur exports.

Celso Lafer, Brazilian representative to the World Trade Organization (WTO) made an interesting commentary in which he remarked that as the WTO grows and becomes stronger, setting clear rules for commerce between countries and between blocs of countries, the governments will have less freedom to manage their economic policy. Entrepreneurs will also have less freedom, because they will feel that they have to comply with many more rules than in the past.

Within Mercosur, Argentine Ambassador to Brazil Alieto Guadagni has emphasized the fact that with stable economies and sustained growth, the difference between countries as centers of attraction for foreign investment will be seen in the policies for education, health, and infrastructure, or — in one word — in the indicators that have influence on the cost and efficiency of production and marketing.

Brazil: Lack of Support for Cardoso in Main Capitals Seen

PY1406143996 Sao Paulo GAZETA MERCANTIL in Portuguese 10 Jun 96 p A8

[Article by Cesar Felicio and Sandra Nascimento in Brasilia]

[FBIS Translated Text] This year, President Fernando Henrique Cardoso may collect a series of favorable results in many state capitals nationwide, but he is still running the risk of losing exactly in the capitals that will establish a trend for the 1998 presidential dispute: Rio de Janeiro, Belo Horizonte, Porto Alegre, and even Sao Paulo, where former Planning Minister Jose Serra has given new hopes to the Brazilian Social Democracy Party [PSDB].

The two parties leading opposition to President Cardoso — the PT [Workers Party] and the Democratic Labor Party [PDT] — which are losing support everywhere in the country, are concentrating their chances in four of the six main Brazilian capitals: Sao Paulo, with PT candidate Luiza Erundina; Rio de Janeiro, with PDT candidate Miro Teixeira; Belo Horizonte with PT candidate Virgilio Guimaraes; and Porto Alegre, with PT candidate Raul Pont. The only government-supporting candidates leading in the six main Brazilian capitals are PFL [Liberal Front Party] candidates Antonio Imbassahy, in Salvador [Bahia], and Roberto Magalhaes, in Recife [Pernambuco]. Everywhere else in the country, the weight of the traditional leaders is being confirmed and there is very little space for new candidates. The stronger candidates in Goiania (Goias State), Fortaleza (Ceara State), and Natal (Rio Grande do Norte State) are the former local mayors: Nion Albernaz (PSDB), Juraci Magalhaes (PMDB) [Brazilian Democratic Movement Party], and Wilma Faria (PSB) [Brazilian Socialist Party], respectively.

The stronger candidates in Manaus [Amazonas], Recife, Sao Luis [Maranhao], Joao Pessoa [Paraiba], and Teresina [Piaui] are the local former governors. They are, respectively: Gilberto Mestrinho (PMDB), Roberto Magalhaes (PFL), Joao Castelo (PPB) [Brazilian Progressive Party], Cicero Lucena (PMDB), and Alberto Silva (PMDB). Carrying the political prestige of their surnames, former first ladies enjoy an outstanding position: in Belem, Elcione Barbalho (PMDB; in Maceio [Alagoas], Denilma Bulhoes (PFL); in Vitoria [Espirito Santo], Rita Camata (PMDB); and in Florianopolis [Santa Catarina], Angela Amin (PPB).

In Aracaju [Sergipe], Salvador, and Curitiba [Parana] preference goes to the faithful followers of consolidated political groups, as in the case of Sergipe candidate

Joao Gama (PMDB), who is former Mayor Jackson Barreto's political inheritor; of Bahia candidate Antonio Imbassahy, who is Antonio Carlos Magalhaes' follower; and of Parana candidate Cassio Taniguchi, who is Governor Jaime Lerner's trusted man.

Apart from political affiliations, all these traditional names have something in common: They all support the federal administration and this represents one less concern for Planalto Palace. The main challenge of these municipal elections will no longer be the effect the Real Plan can have on them, because although the plan will still have some influence on the final returns, this influence will not be as strong as it was, two years ago, during the presidential elections.

Former Deputy Moema Sao Tiago, of the PSDB national board, admits: "Two years after its implementation, the plan has logically lost some of its charm. Particularly with regard to the decreasing economic growth and resulting unemployment problem."

The national board of the PSDB, which is the president of the Republic's party and consequently the one most identified with the administration, will discuss this issue this month. In the next few weeks, PSDB President Teotonio Vilella Filho (Alagoas) plans to finish drawing a picture on the main difficulties the PSDB candidates will have to face nationwide. Based on that, he will draft the electoral campaign strategy. The idea is to prevent the candidates from having to confront the federal administration while avoiding the possibility of making them lose votes by trying to defend it.

Brazil: Minister Rejects Criticism of Interest Rates

PY1706130296 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 14 Jun 96

[Report by Cristina Indio do Brasil in Rio de Janeiro]

[FBIS Translated Text] Finance Minister Pedro Malan has reasserted that the interest rates have dropped considerably recently. Inflation this year could reach 12.8 percent, Malan said, and he added that this goal will be achieved as long as the average 5.15 percent January-May interest rate prevails until the end of the year.

He said that the economic growth rate expectation is 4.7 percent, which corresponds to [words indistinct] the average growth rate registered between 1993 and 1995.

Minister Malan also questioned the complaints about the interest rates to the effect that they have not dropped drastically:

[Begin Malan recording] Last year, between March and April, the primary interest rates — which are relevant for the costs of the servicing of the public debt — stood at 4.26 percent per month. This was an absurdly high rate — a fact we admit. We said they would drop, and they really have dropped, since they currently stand at approximately 1.9 percent.

This means that it dropped from 4.26 percent to the current 1.9 percent. I find it strange that the criticisms continue exactly the same, using the same adjectives for the period when the interest rate was at 4.26 percent and for the present time, when it is at 1.9 percent. It is still a high interest rate, but nonetheless much lower than what it was a year ago.

Therefore it is important that the direction of our effort be recognized and that the criticisms be adapted to the new situation. [end recording]

The finance minister said that the recent changes implemented to the exchange rate bands were nothing more than another demonstration of the continuity of the government exchange policy.

Brazil: Measures To Halt Money Laundering Drafted

PY1706124696 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Jun 96 Section 1 p 7

[Article by Lucio Vaz in Brasilia]

[FBIS Translated Text] The Fernando Henrique Cardoso administration is drafting two measures to prevent laundering of money resulting from drug-trafficking activities and to increase police control at the Peruvian and Bolivian borders because these two countries are cocaine producers.

In the next few days, Justice Minister Nelson Jobim will send President Fernando Henrique Cardoso a draft bill suspending bank secrecy in order to allow a better control of operations seeking to launder money obtained in an irregular way.

In addition, the administration will invest 500 million reals before the end of its period in office in order to equip the Federal Police and improve police control at the national borders. This will be done within the framework of the Pro-Amazon Region project.

The current laws make it difficult to suspend bank secrecy even in the case of suspected irregularities. The Federal Revenue office does not have access to Central Bank data and vice versa.

The Justice Ministry admitted on 9 June that thousands of reals are used in operations conducted at small towns on the Peruvian and Bolivian borders, such Xapuri

(Acre State), and that these operations indicate drug-trafficking money is being laundered, as reported in an article published in the 9 June issue of FOLHA DE SAO PAULO.

Paulo Felix, Justice Ministry Social Communications adviser, has asserted that the administration knew about this data: "The federal administration knew all that, but could do nothing because the law is defective and there are no resources to finance better border control operations."

Felix says that the draft bill contemplates sentencing "money launderers" (those who sanitize money that has been obtained irregularly) to two to five years' imprisonment. Bank directors who allow this sort of financial operation will be considered accomplices in the crime.

Brazil: Favors Said Granted To Meet Electoral Goals

PY1806001796 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jun 96 p B2

[Unattributed commentary from the "Opinion" column: "In an Electoral Year, Christmas Is in June"]

[FBIS Translated Text] Santa Claus has arrived in June for governors, mayors, and some candidates, thanks to the federal administration. In addition to being a leap year, 1996 is a municipal election year and this will probably affect the political and financial calendar and the way to use it. The electoral legislation traditionally affects the calendar and establishes deadlines for certain contracts. Electoral conveniences modify the way deadlines are dealt with.

It was not necessary to move December up to the middle of the year. For the time being, four operations have been sufficient to do it. Each month is kept in its place, but certain financial facts are moved ahead. According to what is being reported in Brasilia, at least two of these operations have been conducted thanks to the intervention of government political coordinator Luiz Carlos Santos.

First of all, the National Monetary Council has authorized governors and mayors to request new loans and rollover in the market the Budget Revenue Advances [ARO] they obtained at the beginning of the year. As a result, the AROs have become ANEs, New Loan Advances.

In the second place, the CMN has allowed the Federal Savings Bank to extend further credits already granted with funds from the Severance Pay Fund, for investment in the areas of housing and sanitation. The ceiling for these credits increased from 530 million reals [R] to R1.36 billion.

The third trick was to allow state administrations and municipalities that are owing money to the federal administration to have access to social programs resources. Without changing certain clauses of the provisional measure on the Insolvency Register, state administrations and municipalities with debts that have already become due would not have been able to obtain this financing.

Therefore, the text of said provisional measure was modified when it was reissued last week. Restrictions were suspended for 60 days, and this is time enough to sign new agreements (according to the electoral legislation, the deadline is 30 June).

The fourth trick extends to 72 months the deadline for liquidation of non-tax and social contribution debts.

An additional concession was being analyzed over the weekend: the possibility of disbursing more funds, through the National Bank for Economic and Social Development [BNDES], for the state administrations and municipalities committed to privatization.

BNDES President Luiz Carlos Mendonca de Barros said: "The money handed in advance to the state administrations for the sale of their assets, which was allocated at the end of last year on an emergency basis, was not enough. The idea of solving these administrations' difficulties has been better developed and now includes refinancing of their domestic public debts."

Some months ago, the most optimistic people thought that the federal administration would have difficulties in 1996 to convince governors and mayors to pay their debts and control their expenditures. According to conventional wisdom, electoral years are not propitious for a judicious handling of public financing. If there has been any resistance to pressure, however, it has probably been very discreet.

The new planning minister, Antonio Kandir, has emphasized and repeated in his swearing in speech the word austerity, thus making an alleged commitment toward it. He repeated the word austerity three times in a row, and accompanied the word with an emphatic gesture. Maybe this was a blunder.

Brazil: Country's Privatization Director Resigns

PY1806021496 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 17 Jun 96

[FBIS Translated Text] Elena Landau, director of the Privatization Department of the National Bank for

Economic and Social Development [BNDES], will leave the federal administration. She alleged personal reasons and said that she tendered a resignation letter to this extent two weeks ago. Nevertheless, she will remain in her position until the new planning minister, Antonio Kandir, appoints another person to head the privatization process in the country.

Brazil: Speaker Urges Deputies To Attend Voting Sessions

PY1806021196 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 96 p A6

[From the "Estadao" column by Cristiana Lobo]

[FBIS Translated Text] Deputy Luis Eduardo Magalhaes, president of the Chamber of Deputies, yesterday stated that "everyone must assume his responsibilities." He made these remarks upon confirming once again that, although the electronic board showed 300 deputies present — which would constitute a quorum to take a vote on a social security separate topic — there were indeed less than 100 deputies present in the session room.

Many deputies usually just press a button to register their attendance, but later they either disappear through the Esplanada dos Ministerios, or they simply refuse to cast their vote to convey their protest to the administration, or to avoid antagonizing those groups that are contrary to the reforms. To discourage this type of attitude, Deputy Magalhaes seeks to set up in the Chamber of Deputies a system similar to that used in soccer games to test players for drugs; that is, after each game, some players are designated to undergo drug tests. Similarly, at the end of every voting day in the Chamber of Deputies, the board would decide which voting session would be used to determine who are the deputies entitled to collect their salary that day.

Magalhaes himself envisages a problem with this approach: Deputies are no longer very concerned about suffering pay cuts. "Our salaries are so high," a deputy said ironically.

There is one reason for Magalhaes' determination to guarantee the voting sessions: opinion polls have shown that Brazilian voters are demanding that congressmen vote, either to approve or to reject bills, but to vote.

That is, voters are demanding that they work.

Commenting on the high level of absenteeism in the Chamber of Deputies, Deputy Jose Genoino said: "Congress needs a shock treatment to reinforce responsibility." He noted that at least 70 deputies have not reported to the session during the past 30 days. He added: "A practice whereby every man looks after his own interests without regard for the fate of the institution is prevailing here."

Brazil: Government Defeated on New Social Security Issue

PY1806002096 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Jun 96 Section 1 p 5

[FBIS Translated Text] Brasilia — The administration sustained another defeat at the Chamber of Deputies yesterday when, during a separate voting on a major topic of the social security reform, the deputies voted down a provision limiting the investment of public funds in pension funds. The administration will now have to reissue a provisional measure to lay down the guidelines that will govern the operations of pension funds.

The administration came 36 votes short of reaching the 308 votes required to maintain the provision proposed by rapporteur Michel Temer (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo].

By virtue of the now-defeated provision, any contribution to pension funds by the federal, state, municipal administrations, or state-owned companies could only be equal to that of each employee.

There were disagreements among deputies from pro-government blocs. The final vote outcome registered 272 votes in favor of the administration, 139 against it, and 10 abstentions.

Earlier, the pro-government blocs had tried to work out an agreement, but the PSDB [Brazilian Social Democracy Party], the PPB [Brazilian Progressive Party], and the PTB [Brazilian Labor Party] failed to strike an agreement. The administration upholds that the current system provides for an unjustified privilege because it poses no limits to the investment of public funds in pension funds. The administration hopes to make the Senate reinstate the original provision.

In close votes, the administration succeeded in rejecting two social security proposals: the first one calls for a specific number of years to become eligible for retirement.

The pro-government deputies managed to maintain the original provision which calls for a gradual increase of the minimum number of years of service required to be eligible.

In the second vote, the administration obtained exactly 308 votes to maintain Temer's proposal. The opposition sought to remove a provision leaving for a supplementary law the task of determining the computation of time of service of rural work for retirement purposes.

Brazil: Only Welfare Reform Vote Seen by Oct

96SM0373A Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Jun 96 p 1

[Article by Marta Salomon, Daniela Pinheiro, and Denise Madueno: "Leaders Feel Pro-Government Rank-and-File Is Tired" — received via Internet]

[FBIS Translated Text] **Planalto Palace's allies try to contain a new rebellion.**

Brasilia—Tedium and fatigue are the the problems bothering the administration's rank and file in Congress, according to a diagnosis made by leaders of the allied parties as they reviewed the progress of the constitutional reforms.

At the conclusion of a meeting held yesterday at the home of Luis Eduardo Magalhaes (PFL [Liberal Front Party], Bahia), speaker of the Chamber of Deputies, the leaders concluded that only the social security reform would be voted on by the deputies before the October elections.

"It is not all that important that we finish the work before the municipal elections," Minister of Political Affairs Luiz Carlos Santos said. The tax reform and the administrative reform will in fact wait until the end of the year.

Committed to improving the congressmen's image, the leaders had to head off another rebellion by the allied parties. Deputy Odelmo Leao (Minas Gerais), leader of the PPB [Brazilian People's Party], reported on the confusion caused by the news that the cuts in the Budget of the Union would affect the amendments submitted by pro-government congressmen.

Government leader Benito Gama (PFL, Bahia) responded: "That is a rumor aimed at dividing our rank and file." Jose Anibal (Sao Paulo) of the PSDB [Brazilian Social Democracy Party] is not guaranteeing that the bills submitted by allied deputies will remain in the budget intact.

Traumas

The leaders feel that the pro-government rank and file has been "traumatized" by the lengthy process of voting on reform of the retirement system. The remedy, they have concluded, is to change the rules for voting on constitutional amendments so as to stop the excessive number of separate items being presented by the opposition. "The plenum is so angry over voting on requests for a separate vote that it will approve the change. No one can put up with this torture any longer," said Inocencio Oliveira (Pernambuco), leader of the PFL.

The pro-government leaders are convinced that absences from the plenary session also work against Planalto Palace's rank and file.

The solution they came up with will affect the pocketbooks of those absentees—about 47 of them—who are creating problems for the administration's political coordination. Luis Eduardo is working on ways to identify deputies who punch the clock and then leave the session without voting and catch them red-handed.

The pro-government leaders promised to vote in favor of a bill by PT [Workers Party] leader Sandra Starling (Minas Gerais) that will abolish the Congressmen's Social Security Institute as a means of improving the image of Congress.

Brazil: Budget Cuts Impact on Passage of Reforms

96SM0373B Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Jun 96 p 1

[Article by Lucio Vaz: "Budget Cuts Empty Chamber of Deputies" — received via Internet]

[FBIS Translated Text] Brasilia—The 50-percent cut in investments in the Union will affect budget amendments submitted by congressmen and probably empty the halls of Congress even more as this six-month period comes to a close. Lacking funds with which to service their rank and file, the congressmen will leave Brasilia and tend to the elections.

The revolt by the administration's rank and file was assessed by Minister of Political Affairs Luiz Carlos Santos and the government leader in the Chamber of Deputies, Benito Gama (PFL [Liberal Front Party], Bahia), at a luncheon with the PTB [Brazilian Labor Party] the day before yesterday.

The government leadership had already identified the dissatisfaction in the ranks of the PFL, the PMDB [Brazilian Democratic Movement Party], and the PSDB [Brazilian Social Democracy Party] over the budget cuts. Attending the meeting were the leaders of the PFL (Inocencio Oliveira, Pernambuco) and the PSDB (Jose Anibal, Sao Paulo).

The cuts will probably affect about 60 percent of the amendments submitted by deputies and senators, according to an estimate by the government leadership in the Chamber of Deputies. Those amendments are important electorally because they provide funds for low-cost housing, health stations, hospitals, basic sanitation, and water supply. They meet the needs of electoral strongholds.

A survey by FOLHA DE SAO PAULO shows that about 300 of the 513 deputies voted for amendments of that kind. The congressmen concentrated their funds on the municipalities where they had received the most votes in the 1994 elections.

Santos told the congressmen attending the luncheon that he was still negotiating with the executive branch to prevent or reduce the cuts.

The amendments totaled 700 million reals in the budget passed by Congress. They were first cut by 15 percent as a result of presidential vetoes. Now they will undergo a further cut of 60 percent.

Cancellations due to failure to approve the temporary tax on financial movements had already caused the cancellation of over 100 million reals worth of congressional amendments in the health field.

The cancellations affected all the parties and did not spare even congressmen who are politically strong in Congress.

Germano Rigotto (PMDB, Rio Grande do Sul), former government leader in Congress, lost 769,000 reals that would have gone to municipalities in his electoral stronghold. That included 469,000 reals for Caxias do Sul, where he is running for mayor in the October election.

Brazil: Government Defeated in Welfare Reform Vote

96SM0373C Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Jun 96 p 1

[Unattributed article: "Government Loses Again on Social Security" — received via Internet]

[FBIS Translated Text] Brasilia—The administration was defeated yesterday when the Chamber of Deputies voted on the principal separate item in the social security amendment. Rejected was the provision limiting the amount of public money that can be contributed to pension funds. The administration will have to issue a provisional measure establishing the criteria for that kind of supplementary social security.

The administration was 36 votes short of the 308 it needed to pass the text as submitted by rapporteur Michel Temer (PMDB [Brazilian Democratic Movement Party], Sao Paulo).

Under the rejected provision, the Union, states, municipalities, government firms, quasi-government agencies, and foundations would have been able to contribute only an amount equal to the amount contributed by the employee. There was dissent on the part of deputies in parties constituting President Fernando Henrique Cardoso's rank and file. The tally board recorded 272 votes in favor of the administration, 139 opposed, and 10 abstentions. The pro-government parties tried to reach an agreement that afternoon, but the PSDB [Brazilian Social Democracy Party], PPB [Brazilian People's Party], and PTB [Brazilian Labor Party] would not agree. The administration regards the current system, which does not limit the amount of public money contributed, as a privilege. The administration may resurrect its provision in the Senate.

The administration won by a close margin in two other votes. The first separate item voted on represented an attempt to establish the time in service necessary for retirement. The text allowing a gradual increase in that period was approved.

In the other vote, the administration received exactly 308 votes, the minimum required to approve Temer's text as it stood. The opposition wanted to remove the provision leaving it up to a complementary law to establish the years of rural activity required for retirement.

Brazil: NGO's Criticize Official Stance on Habitat Issues

PY1406143496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jun 96 Section 3 p 7

[Report by special correspondent Mauricio Stycer in Istanbul]

[FBIS Translated Text] Just 24 hours after issuing a document praising the Brazilian Government, the Brazilian NGO's that are attending the Habitat 2 conference in Istanbul yesterday released a communique "making it clear that they disagree with the official Brazilian position."

The NGO's yesterday felt compelled to clarify that "during negotiations concerning the right to housing, the Brazilian delegation has not given explanations about the country's official position, which had been conveyed earlier to nongovernmental groups."

This criticism took Ambassador Geraldo Holanda Cavalcanti, head of the Brazilian delegation, by surprise. He said: "Our position had already been announced. We did not come here to make formal statements."

The second criticism deals with the Brazilian position on debates about evictions, which is another controversial issue. The NGO's lobbied for eliminating from the conference conclusions any measure to discriminate between those who were legally evicted and those who were illegally evicted.

This position has not been accepted by the United States. The Brazilian NGO's have stated that the Brazilian Government — which initially endorsed the more "progressive" position — has ultimately endorsed the U.S. position.

Chile

Chile: Insulza Denies Accord With EU 'in Danger'

PY1806034396 Santiago EL MERCURIO in Spanish 16 Jun 96 p C3

[FBIS Translated Text] Foreign Minister Jose Miguel Insulza has denied that the signing of an economic agreement with the EU is in danger. He said that the only problem is the date it will be signed in view of the fact that the UK is vetoing international agreements to pressure its partners to lift the existing embargo on UK bovine exports as a result of the "mad cow" disease.

Insulza said: "The signing of this agreement is not in danger. It has already been approved and there is nothing pending in this regard. The negotiators have already signed it. It is now up to the EU Council to approve it to determine the date of its signing."

Insulza said that the EU Council cannot approve it without the unanimity of its members and that Great Britain is not approving anything at the EU Council level. He added that "there are no pending points to be negotiated or any issues to be resolved."

He said that although the UK has vetoed a great number of EU resolutions, it has not yet vetoed the eventual signing of an agreement with Chile on 21 June and that, therefore, there is no such possibility.

Insulza reasserted that the Chilean Government believes that a good date for the EU to sign the agreement would be the upcoming annual meeting of EU chiefs of state and government to be held on 21 and 22 June in Florence, Italy.

He added, however, that if this internal problem between the UK and the other EU members is not resolved by that date, another date must be established.

Insulza confirmed that the Chilean Government has conducted negotiations in London to resolve the situation and added that there is goodwill on the part of the UK Government.

At any rate, the foreign minister denied Chilean authorities are concerned. Regarding the EU situation, Insulza said: "There is nothing we can do. We cannot mediate or issue an opinion because it is an strictly internal matter in which we have no say."

Lastly, Insulza described as absurd the recent criticism made by the right about the government's international policy which it defined as inadequate.

Chile: Possible Delay in Signing of Accord With EU Seen

PY1506030896

[FBIS Report] Santiago EL MERCURIO in Spanish carries, in its 12 and 13 June editions, several reports on the fact that Chile is being kept on tenterhooks as far as the signing of an agreement with the EU is concerned while the EU and Britain try to overcome their differences over mad-cow disease.

A 600-word unattributed article published on 12 June, on pages A1 and A11, under the heading "Uncertainty About Agreement Between Chile, EU Lingers On," reports that the meeting of the European Council in Florence is only nine days away and it is still not known whether the Chilean Government and EU representatives will be able to sign a framework agreement on bilateral cooperation, which will form the basis of a future economic and political association between Chile and the EU.

The article states that both the Chilean Government and Italy, which is now exercising the EU Presidency, expect that a satisfactory solution will be found this week to the problem caused by the so-called "mad-cow syndrome," which prompted the EU to place Britain's exports of beef under embargo. As long as this conflict remains unsettled, the UK Government will continue exercising the power of veto to block all EU decisions that require a unanimous vote, among them international agreements. The signing of the agreement between the EU and Chile, slated for 21 June, thus runs the risk of being postponed, since this accord must first be approved by the European Council of Ministers following the okay given by the European Commission a month ago. The article further states that this notwithstanding, the Chilean executive branch continues making ready for President Eduardo Frei's trip to Europe in case the conflict within the EU is overcome so as to give the agreement between the EU and Chile the green light.

The same edition carries, on page B5, under the heading "Concern About Postponement of Agreement With the EU," a 500-word unattributed article stating that the private sector is worried about a possible delay in the signing of a framework cooperation agreement with the EU on 21 June, when Italy is scheduled to hand over the presidency of the EU at a summit meeting of the EU heads of state and the European Council of Ministers. While being confident that the accord will indeed be signed this year, representatives from the private sector contended that if the accord is not signed on 21 June, it will have to be put off until the next summit meeting, since the EU heads of state only meet twice a year. The article says that Chilean authorities are taking steps to convince the UK Government that they should refrain from vetoing EU resolutions, or at least that they should make an exception when a vote is held on the accord with Chile.

The 13 June edition publishes, on page C5, a 400-word unattributed article in which Foreign Minister Jose Miguel Insulza cautioned about undue optimism regarding the possibility of signing the framework agreement with the EU on 21 June against the backdrop of the European Council meeting in Florence. The EU has been endeavoring to solve the problem caused by the Bovine Spongiform Encephalopathy prevalent in Britain, but to no avail. The Chilean foreign minister fears that the embargo on UK beef will not be raised in time for the European Council to approve the framework agreement with Chile in its Florence meeting. Insulza nonetheless made it clear that the agreement with the EU may be signed at any other moment, since the EU foreign ministers meet every fortnight.

Chile: Draft Trade Accord Concluded With Canada

PY1706233996 Santiago EL MERCURIO in Spanish 12 Jun 96 p B1

[FBIS Translated Text] As a result of the fifth round of negotiations, Canada and Chile managed to put together a complete draft of a provisional bilateral agreement with a view to signing a treaty this year, according to what was made public by Juan Gabriel Valdes, the head of the Chilean negotiating team.

The draft comprises 19 chapters, which correspond to the NAFTA accord, and which reflect the points on which a consensus has been reached and the ones over which differences still persist. The draft provides that both parties' authorities will be consulted about the pending issues or otherwise, negotiations of such issues will be resumed.

Valdes was of the opinion that the fifth round of talks, which were brought to a close in Ottawa last week, constitute a major step forward. He observed that negotiations are more than halfway through and that very little remains to be settled. Working groups have ceded their fundamental role in the negotiations to those responsible for the negotiation process.

Canada and Chile came to an agreement regarding norms of origin by deciding to adopt the provisions currently in force in NAFTA, but making them more flexible so as to the inflow and outflow of products to and from both markets will not face any barriers in this regard.

NAFTA's norms of origin were implemented to reflect trade between the three signatories and to incorporate inputs from the three member countries (the United States, Canada, and Mexico). Chile and Canada agreed to incorporate those NAFTA norms that are valid for both countries and to identify those which have difficulty in entering both markets so as to make norms of origin more flexible in a very pragmatic way.

Valdes explained both countries had taken several alternatives into consideration, such as a mechanism by which Chile would accept inputs from NAFTA while Canada would accept inputs from the countries with which Chile is about to sign cooperation agreements, like Mercosur [Common Market of the South]. Valdes added that these alternatives were discarded because they were too complicated.

Both parties also made headway concerning the elimination of tariffs. Valdez stated that upon the signing of the treaty between both countries, 65 percent of Canadian exports will enter Chile paying zero tariff. The head of the Chilean negotiating team said that Chile will be able to profit from the import of Canadian agricultural inputs and machinery adding that the elimination of tariffs will not mean having a supply of sumptuary goods, but rather capital goods to enhance our output.

Chile: Government Signs Consultation Accord With Sweden

PY1706171496 Santiago EL MERCURIO in Spanish 14 Jun 96 p C4

[FBIS Translated Text] The Chilean and Swedish Governments have established a mechanism of informal political consultations through which to improve bilateral relations, assess the progress of current programs and agreements, establish new fields of cooperation, and exchange points of view on regional and international issues.

The memorandum of understanding was signed in Stockholm yesterday as part of an official visit by Foreign Ministry Under Secretary Mariano Fernandez.

In the understanding, the two governments agree that the consulting mechanism will meet at the level of high officials and that, based on a common agreement, the meetings can also be held at the level of the permanent missions of the two countries before international organizations.

It was also decided that the two countries will establish through diplomatic channels the date, place, and agenda of the meetings of the consulting mechanism, which can be held alternatively in Chile and Sweden, and also the participation of their permanent missions before international organizations.

Chile: Insulza Opposes Adoption of Sanctions on Colombia

PY1806035096 Santiago EL MERCURIO in Spanish 15 Jun 96 p C6

[By Ivan Gajardo Rodriguez]

[FBIS Translated Excerpt] Cauquenes — Asked about press reports stating that Washington will reportedly impose sanctions on Colombia in view of President Samper's absolution, Foreign Minister Jose Miguel Insulza has said that Chile categorically upholds and defends the policy that every country must resolve its own problems.

Commenting on the situation Colombians are experiencing in view of the overwhelming Colombian Chamber of Deputies decision not to submit for Senate discussion charges raised against Samper for accepting money from the Cali Cartel during the 1994 presidential campaign, Insulza said: "It is not up to us to express our opinion about procedures they adopt or about the legitimacy of their trials."

He said: "In this as in other cases, we would not favor sanctions because this is a domestic issue." [passage on covered material omitted]

Mercosur

The foreign minister said that the Common Market of the South [Mercosur] will not have negative effects on agriculture. He also denied the implementation of eventual amendments to allow Congress to ratify the Mercosur agreement.

He stated that Mercosur negotiations are in its last stages but he implied that they have not ended.

Insulza added that although there are few pending issues, this does not mean "we will achieve a favorable solution for all of them either." He added: What we must do is achieve the best solution possible." [quotation marks as published]

He said that among the pending issues are those regarding norms of origin which are currently being discussed in Montevideo and Buenos Aires.

He said that "if the issue is definitely resolved, it will be up to the foreign ministers meeting on 18 June to study the latest events." [passage omitted]

Chile: Demonstrators Blocking Highway Dispersed

PY1406175596 Madrid EFE in Spanish 1835 GMT 13 Jun 96

[FBIS Translated Excerpt] Santiago, Chile, 13 Jun (EFE) — The dispersal by the Carabineros of demonstrators from a village near Santiago who were protesting against the future construction of a gas pipeline linking Argentina to Chile by a multinational consortium resulted in three people injured and 16 arrested.

More than 200 inhabitants from San Alfonso chained themselves together and blocked the highway linking this village to El Volcan, in the Andes mountain range, while a score of police trucks waited on both sides of the road for more than three hours.

Two hours after the roadblock was set up, personnel from the Carabineros military police charged the demonstrators, most of whom were local residents accompanied by some ecologists.

San Alfonso inhabitants later issued a communique in which they alleged they were "brutally repressed" by Carabineros personnel in an incident in which six persons were beaten and three others injured. Two of the injured were little girls, who were rushed to San Jose de Maipo Hospital.

Some members of the family that owns the Cascada de las Animas Ranch — which has been declared a protected area by environmental authorities — and San Alfonso aldermen were among those taken into custody.

Construction of the $1.6-billion gas pipeline will begin in the outskirts of the Argentine City of Cordoba and extend to Santiago — some 465 km — through the Andes.

The consortium in charge of this project is headed by the "Gas Andes" company and comprises the Canadian company "Nova Gas" and leading Chilean electricity companies.

Since the Chilean Government approved the pipeline plan — which will go through the villages of San Alfonso and Pirque in Cajon del Maipo — in January, the inhabitants of this area, which includes several semirural districts of the Metropolitan Region, have voiced opposition to this plan.

The "rebels" staged numerous protest rallies to demand a change in the route of the gas pipeline so it will go through uninhabited areas.

This would increase the cost of the plan submitted by the multinational consortium, which claims that its project to improve the quality of the air in Santiago — one of the three most polluted cities in the world — is currently unparalleled in Chile.

Following the incidents in San Alfonso, Genaro Arriagada, secretary general of the Presidency, announced that the pipeline will not go through Cascada de las Animas, although he did not rule out the possibility that it may go through the northern area of San Alfonso. Local inhabitants have reiterated that they will not tolerate this. [passage omitted]

Chile: Daily Defends Court Ruling in Soria Murder Case

PY1706201096 Santiago LA TERCERA DE LA HORA in Spanish 10 Jun 96 p 2

[Editorial: "Amnesty in the Soria Case"]

[FBIS Translated Text] Even if the ruling is not welcome, the acquittal handed down by Supreme Court Justice Eleodoro Ortiz in the murder of international official Carmelo Soria is based on Decree Law 2191 of 19 April 1978. The ruling is, therefore, in compliance with current legal regulations. From that viewpoint, the ruling cannot be objected. Justice Marcos Libedinsky, who was also a judge in this process, confirmed in 1993 the acquittal ruled by the Military Court. In March 1994, the First Chamber of the Supreme Court annulled the acquittal through the amnesty law, ordered the case to be reopened, and appointed Justice Ortiz to hear the case.

While the ruling is nothing new, the national and international controversy is somewhat unusual. But this is understandable. The state of law prevails in Chile and judicial resolutions are obeyed and respected by all.

The same kind of respect should also exist among other nations. Chile expects this because it has always been a zealous defender of noninterference in the internal affairs of other nations.

Regarding the nature and extent of the amnesty law, it is necessary to recall the assessment by Justice Libedinsky in his previous ruling: "It must be recalled and emphasized that it was rightly estimated by doctrine that the immediate purpose of the amnesty can never be the purpose of doing justice. Doing justice — which is certainly the responsibility of the judicial branch in the field of penal law — is achieved through the punishment of crimes committed by one or more individuals. The Amnesty Law, on the contrary, tends precisely to prevent the application of the penal law..."

Whatever feelings one may have regarding this sordid event from our past, the only thing that should be done is to respect the ruling of Justice Eleodoro Ortiz because it is based on law, which is the essential requirement of our juridical system.

Colombia

Colombia: Samper Discusses Acquittal, U.S. Reaction

PA1506041496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1235 GMT 14 Jun 96

[Telephone interview with President Ernesto Samper Pizano by Dario Arizmendi, Judith Sarmiento, Javier Ayala, and Edgar Artunduaga in Santa Fe de Bogota, William Restrepo in Miami, Pedro Clavijo in Moscow, Jose Miranda Lugano in Buenos Aires, Carlos Penaloza in Spain, and Luis Hernan Reina in Havana; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] We are greeting President Ernesto Samper Pizano. Good morning, Mr President.

[Samper] Good morning, Dario.

[Arizmendi] [words indistinct]

[Samper] Yes sir, [words indistinct].

[Arizmendi] [words indistinct] organ.

[Samper] Not the news organ but the organ [words indistinct] above the dish.

[Arizmendi] What is your concern from now on, considering the fact that you have told the people that you will stay in government until the last minute of the last day of your term: 7 August 1998.

[Samper] I remain concerned about the country's issues: public order and job creation. I will go on with my social policy. The truth is that, as far as I am concerned, it is not like I was absent for a year and now I am retaking the reins of power. I have always been governing. Throughout the crisis I was still making the decisions on the state's main concerns. What we have to do now, as I said yesterday, is to continue governing.

[Arizmendi] You spoke yesterday about the issue of consulting the people. Should we infer that you have practically discarded this idea as an alternative to overcome the rest of the crisis?

[Samper] To a certain extent yes, Dario, because obviously, I did not want to present a formula [words indistinct] convoke and if this were not possible [words indistinct] leaving the country divided, as it was. Without support for the consultation, as some sectors have said, we have no alternative but to get together and work.

[Arizmendi] For how long will you wait for the reaction of the various forces — the political and social sectors — to determine what change of course your government will take, I mean, what cabinet changes?

[Samper] In my formula, Dario, I am not trying to make transitory bureaucratic appointments, which is what some people may have thought, as a way to resolve the crisis. I am very happy with my government team. I think the cabinet is excellent. The ministers demonstrated their excellence during this difficult phase. I think that any future government adjustment must be a result of agreements based on the reconciliation agenda I proposed yesterday.

Whoever wants to work with that agenda, to do his share and contribute with his good will to reach the objectives I presented yesterday for the country's good, will be welcomed on the government team, but we will not first dismantle what we have and then see what we can do. As support for the reconciliation agenda becomes consolidated, we will be making government adjustments.

[Arizmendi] Does this mean that there will only be adjustments, not a general change in the cabinet?

[Samper] No, because I think that what the country needs at this moment is some sort of intensive care and to close this period [words indistinct] government, but to continue working, continue governing, to work on the issues I mentioned last night, and this way I will lead the country normally, without any kind of shock.

[Arizmendi] Mr. President, what would make you resign?

[Samper] If I were to commit an action that would make me feel ashamed.

[Arizmendi] What would you do if the ability to govern, governability, as this is called nowadays, slips away from you?

[Samper] What is governability? Governability is to have, first, the tools to govern the country, and this is an issue that not only interests me as president but also any Colombian citizen [words indistinct] in 1998 or in 2002, and this is why I proposed some institutional adjustments. Governability also depends on the control the government has on the economy and we can move the economy forward, in spite of its problems, with our reactivation plans. Governability depends also on how the institutions function, and we have demonstrated [words indistinct] that the institutions — justice, congress, the Prosecutor's Office, and the executive branch — are gaining strength despite the problems. The people are forgetting that we have resolved this matter peacefully. It was painful, it took time, but we never violated the Constitution or the law to resolve this crisis.

[Arizmendi] But governability also depends on the attitude of other nations, such as, for example, the U.S. position. There have been confusing signals because, on the one hand, there are statements that favor the Chamber of Representatives' decision, quoting President Clinton as saying that it was a democratically elected Congress and its decisions must be respected. But the statements by the State Department spokesman and drug czar McCaffrey are not along those same lines. How have you and your government read or interpreted this initial U.S. reaction?

[Samper] I interpret it pragmatically in two ways. One, there is respect for the Chamber of Representatives' decision. All countries should respect the autonomous and sovereign decisions that friendly countries make to solve domestic problems. For me, this is a fundamental point in order to define what Colombia's future relations with the United States are going to be. Second, there is another point I also share. Relations between the two countries are without a doubt experiencing a confidence crisis. This lack of confidence is not only felt by the United States with regard to Colombia, but also by Colombia with regard to the United States, because sometimes we have the perception that our efforts here are not being sufficiently or fairly evaluated in the United States. Taking this into account, we are going to work to reestablish and improve the climate of confidence. This can only be accomplished with facts: facts with regard to the struggle against drug trafficking and facts with regard to ameliorating the tense bilateral trade relations. We are totally willing to work toward improving this climate of confidence with this agenda.

[Arizmendi] Do you think that the United States would dare to take the step that certain international media have hinted at, such as suspending commercial flights by our airlines to and from North America, [words indistinct] economic and financial transactions, and the suspension of tariff preferences and [words indistinct] continue governing?

[Samper] I would have to continue to govern, because it would be unacceptable for the president of a country to leave office due to the unfair measures applied by another country. I feel it would be good for us to cast aside that worst-case scenario. Sometimes it seems as if we Colombians are the ones begging: please punish us more, bring us kneeling to our senses. This is something that must be looked at from a bilateral point of view. We have approximately $10 billion of international trade with the United States. We purchase far more from the United States than what they purchase from us. They would also be affected by trade war. We have very significant U.S. investments here. These investors are also interested that there be good relations. There are far more passengers that travel via U.S. airlines to Colombia than via Colombian airlines to the United States. These U.S. airlines would would be the first to be affected by any such decision.

I, of course, do not see these restrictions coming. Nor do I believe there will be a commercial invasion [as heard]. I think we should be calm and work to develop (?factors) like the ones I pointed out yesterday in my remarks. We should leave behind fear and solve our problems as an independent country.

[Arizmendi] In your radio and television speech last night, you announced several measures to combat drug trafficking, including stiffer penalties, canceling the surrender policy, and so on. What position would you take if the Congress falls short of your expectations and does not approve the package that you will present and which will surely deserve — at least in principle — a token of recognition by the United States?

[Samper] This is why I pointed out yesterday that the legislature that will begin on 20 July will be a historic one. During an interview with Caracol some time ago, I said that what the country needed and wanted was not a Full Stop Law, in other words, closing our eyes and forgetting about everything, but a final solution strategy. In other words, how to overcome the problem of violence. What I presented yesterday were some ideas and measures along these lines. I am sure the Congress and the country will accompany me in this strategy because this is the only one that will help us deal, once and for all, with drug trafficking, subversion, and kidnappings, which I regard as the biggest factors disturbing general order at present.

[Arizmendi] Several recalcitrant opponents of you and your government, like industrialist leader Hernan Echavarria Olozaga, has said that those who acquitted you in the Chamber of Representatives were mafiosos just like you. Do such remarks offend you? How do you react to them?

[Samper] These remarks are so blown out of proportion that I do not even need to disqualify them. It hurts me though that someone who has been defending the country's institutions for so many years could make these types of remarks that, without a doubt, no Colombian would heed.

[Arizmendi] President Samper, the fact that Humberto de la Calle, your vice president and Colombian ambassador to Spain, has not said a word after the ruling by the Chamber of Representatives was disclosed has also aroused our attention. How do you explain this attitude?

[Samper] Yesterday, I had a chance to speak with Vice President De la Calle. We talked about my speech in general. I believe his attitude is quite positive.

[Arizmendi] What do you mean by his attitude being positive? Do you mean that his attitude has changed? Do you mean that he accepts the decision by the plenum of the Chamber of Representatives and that he is willing to join your government in keeping with your appeals, at least with some of them?

[Samper] The first thing I understand is that no Colombian, much less a member of my government, would reject a just decision. As I also said last night, if we allowed people to take their particular stands regarding judicial decisions, it would be the end of the state of law. Nor do I understand how anyone could speak of the vice president being a part of the government; the vice president is already part of the government.

[Arizmendi] However, isn't there the possibility that some of your representatives might become members of your cabinet so as to strengthen the indissoluble marriage you mentioned at one point?

[Samper] What I said was that if in implementing the agreements that might be negotiated next week regarding the reconciliation agenda that I have proposed, I was compelled to make government changes or a cabinet reshuffle, I would do so in a categorical and open manner. This does not mean that now I will devote myself to gather support in exchange for posts, but quite the contrary.

I am going to try to secure an alliance that supports the people in their posts and this alliance will be mirrored in the government's composition.

[Sarmiento] Mr. President, during your speech you said: I will govern until the last minute, of the last hour, of the last day I am in this palace. Why didn't you say, as on previous occasions: I will govern until the last minute, of the last hour, of the last day — 7 August 1998? Is there something that could make you leave before that date?

[Samper] No. Judith, what I wanted to point out was in connection with what critics of mine have said about me hibernating because of the crisis in Congress. I have always governed and, of course, I will continue to govern until the end of my mandate. To what I said I can add: until 7 August 1998 (?at 0322).

[Sarmiento] [laughs] I missed that detail.

[Artunduaga] Good morning, Colombia.

[Samper] Good morning, Edgar. How are you?

[Artunduaga] Fine, sir.

[Samper] Do not let your friends mistreat you. [laughter]

[Sarmiento] Who told you he has been mistreated? [laughs]

[Artunduaga] Last night [words indistinct] some companeros.

[Samper] I was afraid of that, I was afraid of that. [laughs]

[Artunduaga] If there is one thing for which nearly everyone in the media has words of praise it is that during this time of crisis there was no censorship imposed on the media. However, today we heard you make a statement that concerns us. You said that the media should not become a sounding board for any civilian rebellion. Are you threatening to become stronger toward the media if they became one of those sounding boards?

[Samper] No, I believe that we have handled this situation in a democratic manner, without stepping outside the rule of law. But, because certain sectors have even incited the population to rebel against the government, it seems important to establish a limit. It is one thing for people to disagree with the president and quite another to incite others to rebellion, which I cannot accept. This requires a different treatment, not only from the constitutional, but also from a penal standpoint.

[Arizmendi] Legally and politically speaking, how would your government react if tomorrow, by decision of the National Business Council and by decision of those who have opposed your government, a civic resistance and an employers strike is declared?

[Samper] We would begin to study the nature of the strike, which I regard as sheer nonsense, rather than an illegal act. Of course, it would get the same attention as any other disorder that affects the people's right to live in peace.

[Unidentified reporter] Mr. President, your critics said after listening to you last night that your speech was not as convincing as they had expected and that you did not say anything new. They said that even though the Chamber of Representatives' decision resolved your personal situation, the country's problems remain. Do you really think you have the necessary support to solve those problems?

[Samper] Of course problems remain. No one believes the Chamber of Representatives' decision will put an end to drug trafficking, subversion, and poverty-related problems. I did not expect my critics to say after the ruling: Let's start over with a clean slate. Surveys also show that a large number of people want this country to continue to work. They want those sectors that have been so bitter in their comments about the government to start discussing topics such as jobs, the improvement of social conditions, and the construction of infrastructure.

That is the message I leave to my critics. Of course, as I said last night, it is not a matter of being definite. After pondering various solutions, I decided that it was better for the country to keep our doors open and not be revengeful or persecute anyone. Instead, we have proposed an agenda for reconciliation. Whoever wants to board this ship will be welcome.

[Sarmiento] Mr. President: We have invited some of our correspondents in major cities around the world to participate, given that the Colombian situation was followed closely by the international media. We will begin with Carlos Penaloza, who is in Spain. Good morning Carlos.

[Penaloza] Good morning Colombians and good morning President Samper. Today the media, not only in Madrid, the capital of this country of 40 million inhabitants, but of all Europe, has dedicated at least some of its editorials to the Colombian issue. EL PAIS, which is the most important daily in our country, as President Samper knows, carried an editorial entitled Now Is Samper's Turn to Move, which sends him three messages: First, that he should analyze whether he should create a government of national unity. It is implied, however, in the editorial that Humberto De la Calle would be the biggest obstacle. Second, the editorial mentions the possibility of calling a plebiscite. The newspaper, however, notes that evidently an initiative of that nature would further divide the country and would open a wound that would take as much time or even longer to heal than the current scandal. Resigning is the third option offered by EL PAIS in its editorial: In view of the fact that his mandate has been definitely affected, he should resign. Washington will never accept the possibility of legitimizing his government again, as it already showed in March with its decertification. In that manner, EL PAIS added, by making it clear that the president is not clinging to his chair, it would put him in a better position to defend a mandate during which he has successfully persecuted and arrested drug lords. Concluding, EL PAIS, which as I said is a very important daily, said that the decision is in Samper's hands.

Meanwhile, the daily ABC, another leading newspaper, ranked second in circulation in Spain, entitled its editorial: Samper and Legitimacy. It asked the following question, which I want to pass on to the president. I repeat, a newspaper has posed this question: Is it legitimate for a person who has obtained his mandate with money from drug trafficking, as the president himself has recognized, to be president of the Republic? That is the question that, as I said, I pass on from a mass media source, and which has been posed by other newspapers in similar terms.

[Samper] Well, sometimes I am suprised to see the level of influence that adversaries of the government exercise in certain media, particularly in Spain, to make known their main concerns in Colombia. In fact, those topics were thoroughly discussed in the Chamber of Representatives, to the point that, for example, it was determined that it has not been absolutely proven that there was infiltration — as I said at the beginning — of drug trafficking money in the past electoral campaign. I believe that all these issues will have to be cleared up in the next few months when the responsibility is determined in each one of the episodes that were broadly analyzed by the Chamber.

Furthermore, we can see that neither ABC nor EL PAIS had the opportunity to hear my speech yesterday, in which I ruled out two of the options they presented and I chose the one I feel is the best for the country.

[Sarmiento] The next question, Mr. President, will be made by William Restrepo from Miami.

[Restrepo] Thank you, Judith. Good morning, Mr. President.

[Samper] Good morning, William.

[Restrepo] The climate of confidence you mentioned, refers to Colombia's actions vis-a-vis the United States. Here in the United States, however, the people do not at all feel that there is a climate of confidence to restore. What do you think must be the path to restore that confidence, because here in the United States, what the United States wants is your head.

[Samper] Not everybody. At least, going by the statements President Clinton made yesterday, (?one realizes that). I think the only way to restore that climate of confidence is through a direct, clear, and honest explanation of what the war on drugs must be henceforth. That is what we are (?noticing). I think that Colombia will be able to restore this climate of credibility not because we are now beginning to wage a war on drugs — since that is what we, not my government, have been doing for the past 10 years — but because we have a real capacity to make the world understand that the war on drugs is the responsibility of all countries and not just of Colombia.

[Sarmiento] Mr. President, here from Moscow is Pedro Clavijo. Good morning, Pedro.

[Clavijo] Good morning, Mr. President. Here in Moscow it is exactly 0500. It is a fine day, and the temperature is 25 degrees Celsius. The entire country is following the electoral campaign, since you know that voting takes places on Sunday. That is why all we have are reports of what happened. I want to tell you this. Important economic sectors in Russia would be interested in participating in the planning and implementation of the idea you have brought to the fore about building a canal or another interoceanic passageway through Colombia. I have gathered information on this matter, and a consortium with experience in canal construction and major port projects together with a German firm were greatly interested when I talked to them about this idea of yours. My question is whether Colombia would be prepared to accept the participation of new Russia in planning and implementing this project, if the advisory services and economic assistance from German sectors are also available. Please.

[Samper] The government indeed has established a commission made up of five ministers who are tasked with designing the terms of reference of what could be the construction of an interoceanic link, something the country has been seeking for several years. The interministerial commission will be installed next Wednesday in Choco Department. Of course, any country interested in joining a project of this magnitude would be welcome.

[Ayala] Mr. President, in spite of the joy resulting from the release of Dr. Juan Carlos Gaviria, there is a profound controversy in the country [words indistinct] regarding the way in which said release took place. That release was negotiated. Several remarks have been made, and I will briefly summarize them for you to comment on. For instance, Dr. Cesar Gaviria did not negotiate, did not want to negotiate, according to some people, the release of Diana Turbay, because it was counterproductive and went against constitutional provisions at the time. Second, how can General Serrano become a guarantor, almost a hostage, of criminals and how can those criminals be allowed to leave the country, when negotiations for the release of other kidnapped persons has not been permitted? Is it true, Mr. President, that Mr. Toro Restrepo, alias Bochica, who is in prison, may leave prison, as has been reported, as a result of the agreement and negotiations held? What is the official position of your government regarding the release of Mr. Juan Carlos Gaviria?

[Samper] My position is the following: The government facilitated the negotiations between the Gaviria family and the Republic of Cuba, among others, leading to the release of Dr. Juan Carlos Gaviria. And it did so within the framework of the law and the Constitution, and taking into account at all times principles of humanitarian law and even national security. What people have not thought about is what may have happened if things had turned out differently, both nationally and domestically? What would have happened if the execution order against Juan Carlos Gaviria had been carried out at the time the Chamber of Representatives issued its ruling?

Given the impending execution of Juan Carlos Gaviria, the government supported the operations carried out by the National Police director to facilitate the implementation of an agreement, in which former President Gaviria did not participate as former president or much less as OAS secretary general. He simply took part in it as brother of the victim.

[Unidentified female reporter] Mr. President, on this same case, press reports indicated a $2 million ransom was paid for the release of Juan Carlos Gaviria. What does the government know about this new element of confusion in the release of Gaviria?

[Samper] To the best of my knowledge, no payment was made for the release of Juan Carlos Gaviria.

[Sarmiento] Mr. President, given the way in which this situation was handled, one may conclude that ties between former President Gaviria and yourself have improved, as you had opposed each other in the past. Is this true? Are your relations with former President Gaviria any better? What may this entail for the future?

[Samper] Our personal relationship has always been good. In this case, I adopted the attitude I would have adopted with all the families of persons who have been kidnapped. We provided the support of the state and facilitated, as much as the law and Constitution permit, [words indistinct] contribute with authorities to the release of those kidnapped.

[Arizmendi] Mr. President, Juan Gabriel Tokatlian yesterday said, in an analysis in EL TIEMPO newspaper, that the possibility that Washington may personalize its rejection of the Chamber of Representatives' decision cannot be ruled out. He added that it cannot be ruled out that, as a show of rejection toward you, your U.S. visa may be revoked. What would you do if your U.S. visa is revoked?

[Samper] I would do absolutely nothing, because I have already obtained the only visa I need to govern this country. This was the election in which the Colombian people elected me as their president. I truly believe we are overcoming the crisis. The people who are opposed to the government hope that personal or international political retaliation is taken against the government, so as to weaken it. They are dead wrong. The best way to strengthen the government's position is the application of unjust retaliatory measures against Colombia or against Colombians. This would further emphasize our need to ask that our right to settle this or any other types of problems among ourselves be respected. We, Colombians, will solve these problems the Colombian way.

[Sarmiento] This is a conversation between President Ernesto Samper Pizano and the world, through our permanent correspondents. We have already talked with Spain, Miami, Moscow, and now with Argentina. In Buenos Aires is Jose Miranda Lugano. Good morning.

[Miranda] Thank you, good morning. Mr. President, first, let me tell you that most Argentine news media are analyzing with reservations the Colombian Congress' decision and are doubtful that this decision has served your country's democracy. The question I am asking you from here, and based on all the commentaries carried by the Argentine news media, is whether your decision to have a national unity government cannot be seen as utopian in a country that is regarded — from this vantage point, I repeat — as split down the middle over the congressional decision. Wouldn't this be a good opportunity now that you were exonerated [words indistinct] move up your departure and the elections of 1998?

[Samper] It is not as simple as saying... [pauses] I like the word departure. The situation is much more complex than to think that the decision by the Chamber was merely a decision that favored me personally. I am not seeking a personal exoneration because throughout this process I was always certain of my innocence. I am seeking a political way out that will allow the country to advance without traumas in developing its democracy and to maintain its government program. I do not think a solution based on national unity is a utopia. I think this is perhaps the most realistic solution. If the country is indeed divided, if my resignation does not heal this division, and if the solutions [words indistinct] are not bad either, and if there is no imminent possibility of a democratic constitutional way out — something that moving up the elections would represent — there is no other course than to get to work. That is what I invited Colombians to do yesterday. Yesterday and this morning, in fact, I have been receiving news that some people are interested in joining this proposal.

[Arizmendi] If ultimately your proposal does not make headway and falls on deaf ears and you do not receive many more significant or qualified signs of support from people on the rise, from sectors that really will strengthen the government, if you remain with the same supporters you now have, what will do you?

[Samper] No, this is not a matter of tallying friends, Dario. The matter is plainly and simply whether there are — and I am certain there are — people who are interested in moving the country forward, and the best way to do that is by calling a national referendum.

[Ayala] Mr. President, what treatment will Conservatives receive in your government, considering the fact that the Conservative National Directorate made its opposition official? Will you continue with the group headed by Isabel Celis [Chamber of Representatives vice president]?

[Samper] All the sectors that want to work in this agenda I am proposing will be welcome. All social and political sectors.

[Arizmendi] In this respect, will the possibility that unions will have a majority representation in your government become stronger? Will there be another minister from the workers' ranks?

[Samper] I cannot foresee things. What I have proposed is that before we carve out... [pauses] before we begin to engage in speculations on the bureaucracy, what we must do is rally people around a program. Let us agree on that program. If the program works out, then there is no [words indistinct] the makeup of the cabinet.

[Sarmiento] How did you take the no vote by Liberal Rodrigo Rivera, president of the Chamber of Representatives?

[Samper] Just as I received the nays and yeas of each and every one of the representatives. At the time of the vote, I did not view the representatives as being members of one party or another, but merely as my judges.

[Unidentified reporter] Some people have argued that you are indebted to Congress? Do you agree with this remark?

[Samper] Quite the contrary. I believe it has been demonstrated that the relationship between the executive branch and Congress is excellent and I hope this will be useful in implementing all the bills I announced last night.

[Artunduaga] There are embraces that smother, hurt, or shake us; some because they are too affectionate or too emotional and others, because they are too dangerous. Could the letter sent by the Rodriguez Orejuela brothers asking you to continue in your post have been one such embrace?

[Samper] I never viewed it from that angle. If you are referring to the letter sent by the Rodriguez Orejuela brothers asking me for protection for their family, I merely perceived it as a note and I conveyed it to the proper authorities. As far as I understand, the authorities are currently analyzing and checking on it.

[Sarmiento] Another permanent Caracol correspondent abroad is joining this interview with President Samper. Here is Luis Hernan Reina from Havana. Good morning.

[Reina] Mr. President, good morning. We send you greetings from Havana. Mr. President, the Cuban Government indicated that its actions in the release of Juan Carlos Gaviria did not have the intention of meddling in Colombia's internal affairs. What is your opinion of this?

[Samper] The Cuban Government is right. There was never any meddling on its part. First of all, there was never an official contact. Second, as the Cuban Government has also said on other occasions, its actions were strictly for humanitarian reasons.

[Sarmiento] Before the conclusion of the trial, both you and your lawyer Nieto Roa said that no action would be taken against those who besmirched the president of the Republic, because you did not want to make the situation worse. Last night, you categorically demanded that your honor be respected. What will happen to anyone who disrespects the honor of the president of the Republic from now on?

[Samper] Well, I will exercise my constitutional and legal rights to ensure that my honor, as the honor of any other citizen, be respected. In any case, the government will not condone calls by the media or any forms of rebellion, which are censured both by the Constitution and the laws.

[Arizmendi] What actions would you take against those media organs that disobey the instructions or stance you are voicing?

[Samper] I will take legal action.

[Arizmendi] Will you censor them?

[Samper] The law stipulates a number of regulations. In this case, it will not be censorship, because censorhip is a political act.

[Sarmiento] Could there by any lawsuits for libel and slander if someone speaks ill of the president?

[Samper] If I did not exercise that right in the past year [words indistinct] 24 hours would not be enough to be able to take care of all of the processes.

[Artunduaga] The National Business Council continues to insist on your resignation. What are you going to do about that?

[Samper] No, I believe everyone has the right to state his position regarding the government. I have always respected that. The government, of course, has the right to establish its positions. We have proposed this reconciliation agenda at this time. We do not want the people to think that this is to strengthen the government. It is to push the country forward. He who agrees with that is welcome.

[Arizmendi] Finally, Mr. President, the National Association of Industrialists [ANDI] in the past few hours revealed the results of an industrial opinion survey. Industrial production dropped by 0.9 percent and sales dropped by 0.7 percent in April. The ANDI says we are about to enter a recession, not just a drop in the growth rate, which is evident. What does your government plan to do to try to prevent this recession and reactivate the economy?

[Samper] As I said yesterday, Dario, the government is determined to carry out its economic reactivation program. This reactivation program includes, among other measures, [words indistinct], a reduction of interest rates, the promotion of public investments in areas such as infrastructure, the development of new plants for certain sectors such as the textile sector, the lumber sector, and so on. We are working on a series of measures, some of them related to the restoration of basic customs controls. I believe we have the possibility of reactivating the economy if we work in that direction and if we make an effort.

[Sarmiento] Mr. President, Prosecutor General Alfonso Valdivieso Sarmiento defended the solid nature and the seriousness of the charges filed against you at the Chamber of Representatives. He also said that other processes against other persons facing similar charges will continue. Other persons who were involved in similar actions were sentenced while you were exonerated. What is your opinion about that?

[Samper] I believe that is the logical conclusion of the process. It was demonstrated that what occurred was that there were individuals who may have used my campaign for personal gains. These people are under arrest today. I believe that is absolutely logical, and I believe the process should continue in order for the authorities to determine who the culprits were and who was responsible. Only then will we know the truth of what happened.

[Reporter] Now that you have overcome this crisis stage because of the trial, when are you going to submit your candidates for the post of Attorney General?

[Samper] We are working on that. We will submit a group of three candidates as the Senate had requested. We are waiting for a Senate decision on this matter.

[Arizmendi] Do you have any names in mind, Mr. President?

[Samper] There are some candidates going around.

[Arizmendi] Not the candidates, but the names. [laughs]

[Artunduaga] When you were losing weight I asked you about your plan. Now I ask you: What do you eat to have such a thick skin?

[Samper] There are a series of things. Once we are off the air, I will give you the ingredients, Edgar.

[Sarmiento] Edgar also has a thick skin.

[Samper] It has something to do with turtle extract. [laughs]

[Sarmiento] We are not talking about elephant skin here.

[Samper] Don't mention that animal. [laughs]

[Arizmendi] Mr. President you have been very kind with Emisoras Caracol listeners. Thank you very much. May you have a happy three-day weekend.

[Samper] Thank you very much for your coverage during the last few months. I also thank all Emisoras Caracol listeners.

[Arizmendi] That was President Ernesto Samper Pizano in a 40-minute dialogue with Colombia's Emisoras Caracol Network.

Colombia: Samper on Opposition, Reconstruction Agenda

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[Interview with President Ernesto Samper by EL TIEMPO reporters Jorge Gonzalez and Jesus Ortiz N. in the Narino Palace private quarters in Santa Fe de Bogota; date not given — received via Internet]

[FBIS Translated Text] After one of the most dramatic weeks in his personal and political life, Colombian President Ernesto Samper welcomed EL TIEMPO reporters. Samper was not wearing a tie, he had suede shoes on, and his suitcase was ready for his trip to Bucaramanga. He was in the library in his private quarters at the presidential palace. He was in his best mood. His dog "El

Brujo" was evidently not in a good mood since it threatened us almost throughout the entire interview.

Samper said he was confident that Colombian Vice President Humberto de la Calle will support his government's proposals because he "plays on the same local team, not on the visiting team." He added that the speech he delivered last Thursday was not intended to be homework to please the United States.

[EL TIEMPO] Mr. President, so you are not leaving...

[Samper] Let us not say that I am not leaving, rather, let us say that I am staying in office.

[EL TIEMPO] You have said that if you stay in office, it would be a solution with a fake door, but resigning would solve nothing either. How is this so?

[Samper] What I meant was that staying in office on bad terms or announcing that I was going to stay and to retaliate would be absolutely self-defeating, because I perfectly understood that there should be a political opening, in addition to a national restoration agenda, and that the government could not take this ruling as an opportunity for retaliation. Likewise, I clearly observed that resigning was not a solution. And this was not a solution because it would have been easy to simply maintain this country's polarization by having one half of the country within and the other half outside, attempting to overthrow the government.

Therefore, after a conscientious examination, I came to the conclusion that if either solution was not possible, a formula should be sought to allow those who were outside to work together with the government, not through a bureaucratic distribution of power, but rather with a reconciliation program.

[EL TIEMPO] Do you fear civil resistance?

[Samper] No. I believe that civil resistance takes place when there is an awareness of an existing unlawful wielding of power, which, of course, is not the case. This was confirmed during the debate at the Chamber of Representatives, where, throughout the entire process, they examined not only my personal liability, but my political liability as well.

[EL TIEMPO] Why then did you send the news media a message with a certain threatening tone, stating that you will not allow them to become sounding boards for expressions of a threatening nature?

[Samper] Because civil resistance should not be mistaken with democratic opposition, with a demonstration at a public square, or with lawful actions of disagreement with the government. Civil resistance means placing oneself beyond the law so as to deeply harm the country's stability. This is prohibited by the Colombian legal system, which I will enforce. I believe that right now civil resistance will not take place.

[EL TIEMPO] Would you interpret a business or banking strike as civil resistance?

[Samper] Undoubtedly, if this strike creates economic panic, the individuals who promote it should be held responsible for this situation and for the resulting economic harm.

[EL TIEMPO] After your speech last Thursday, how many sectors, which had been previously outside the government, have expressed their desire to participate in an agreement?

[Samper] Let me say that I am not a collector of support messages. Just to mention some commonplace information [datos coloquiales], I will tell you that over the past two days, I have received 1,600 telephone calls, while the fax machines at the presidency have not stopped working during the past 48 hours. First, common people have expressed their very significant support. Second, governors have expressed their support, which is very significant in my opinion, because, somehow, there has been a conflict between the provinces and Santa Fe de Bogota. Now we have to draw lessons from this situation. The governors' support has a very significant meaning because they have recognized the government's presence, thereby allowing us to make advancements with our national restoration agenda. I understand that some very important Conservative sectors, as well as some independent sectors, will express their official support next week.

[EL TIEMPO] You rub your hands together when you see how the Conservative Party, which recently registered as an opposition party, progressively sides with you...

[Samper] No. From the beginning of my administration I have favored that parties again become institutionalized. I am worried that antipolitics will be taken as a way to govern. I believe that what this country needs is for politics to be once again exercised institutionally, whether it be in the government or in the opposition. What I have in mind is an opposition with constitutional and legal guarantees. When I consolidated my initial government team, taking this into account, I called on the [party] directories and succeeded in bringing together a cabinet made up of very competent people backed by these institutional political forces. I regret that the National Conservative Directorate has taken such a passionate attitude in light of these events, but I am not going to abandon friends who have accompanied me since the Conservative Party.

[EL TIEMPO] Do you agree that you could have gone further in admitting some responsibility in what took place in the campaign?

[Samper] I could not go any further simply because, as I said at the time, my political responsibility had to be analyzed within a certain context and not on its own. I admit that I would have had to respond politically if, for example, it was proven that my resolve to struggle against the cartels, which had been accused of giving money to the campaign, had not been clear. But the cartels are in jail, the Cali cartel is dismantled. We have taken strong measures to halt drug trafficking. That was a complicated level of responsibility that, of course, was cleared up in my initial statement. I devoted 80 percent of that statement in defense of my antinarcotics policy. Beginning with that statement that there was no possibility of an agreement with the cartels, which to my way of thinking was the best evidence of my political innocence, what then took place was to effectively find out what happened in the campaign.

And this is what the case in the Chamber of Representatives began to clarify and wherein it was proven that [Santa Fe de Bogota Archbishop] Monsignor Rubiano's famous elephant was nothing but a Trojan horse, and that certain people linked to my campaign were able to divert the funds that we had been previously blamed for. Until that responsibility is not clearly established, which the Office of the Prosecutor General of the Republic has timely begun to investigate, we will not know for sure what really transpired.

[EL TIEMPO] Are you not troubled that the blame has fallen exclusively on the heads of Fernando Botero and Santiago Medina, who were your dear friends?

[Samper] I, of course, do not wish them any harm as people, but for the sake of the country and for the campaign and for the sake of truth itself, I am interested that if, indeed, they have a certain amount of responsibility, then it be established and the appropriate punishment be given. This is really what the country and the case needs.

[EL TIEMPO] Some interpreted your speech on Thursday as: "This was the homework Washington assigned for me and this is how I am going to comply."

[Samper] Not true. In my swearing-in speech I listed actions that the government would be undertaking regarding drug trafficking and I have been complying. Each February I have reiterated this, listing the government's commitments in regard to the various topics. It is only logical that we concentrated, such as we did, in catching the Cali cartel first; and it is also logical, such as we did, in the eradication of crops, in the interdiction of vessels, destruction of laboratories; and it is logical that we now begin the legal battle in regard to penalties and property.

But for several months, the government had already been working, thanks to the [decree on] internal disturbance and through several collateral projects in Congress, for the legal definition of these instruments.

[EL TIEMPO] Nevertheless, the suspension of the surrender program, the seizing of assets owned by drug traffickers, tougher sentences... Is this not what Washington was after?

[Samper] I am not aware whether or not this is what Washington was after. I believe this is what the country needs and seeks, in order to wipe out possible economic prospects arising from drug trafficking.

[EL TIEMPO] Judging by everything that took place after the Chamber of Representatives ruling and your television address, it would seem as if you are uninterested in the country's governability...whoever wants to govern with me, fine, and whoever does not, that is fine also...

[Samper] Let us separate things first. It seems here that there has been some confusion between governability and the government's capacity to handle the crisis, which I believe are two different issues. I referred to the issue of governability from a structural point of view, and that is why I brought up the need to implement institutional reforms. The way things are going now, the state institutions are unable to continue operating. I have been a staunch advocate of the 1991 Constitution because I like its spirit of guarantees, democracy, and decentralization. I also, however, believe it has some major and dangerous gaps in regard to the interaction between the state branches.

Recalling a quote by Montesquieu with respect to the secret of having a balance of power in a democratic state, which consists of ensuring that power is able to check itself, what we need to do now is recover a sort of equilibrium, so that this same political self- control can continue to be exercised without impairment or detriment to the ability of any of the state branches, in this case the executive branch, to take action.

It is for this reason that I proposed these institutional reforms. I view governability problems in many aspects, such as in the relations between the courts, in the government's relation with the justice system, even in the legislative branch's interaction with the executive branch. The government' capability to advance in its day-to-day programs is an entirely different issue.

I would like (please forgive me talking so much but it has been such a long time since I have been able to speak freely) to mention another issue that I believe is important. It is the following. What governability problems did the government have to confront during this crisis? There was not a single crack in the Armed Forces. During the most critical moments, fundamental changes were made in the Armed Forces, the entire leadership was changed and absolutely nothing happened. Popular support for the government remained at levels that, in other contexts, would have seemed surprising. It never dropped under 40 percent, and 40 percent support or credibility is something any president, under normal circumstances, would envy. Third [no reference to first or second]: the country always continued to support the government. The economy: in the last poll conducted by Fedesarrollo [Foundation for Higher Education and Development] it was discovered that the political crisis carried a weight of only 8 percent in determining the economic situation. Of course, I do acknowledge that there are economic problems, and some are very serious. These problems, however, are not due to the political crisis. Some are problems we even anticipated when I came to office.

In other words, the government has been able to maintain a very significant level of stability. Now, at this very moment, we can consolidate this stability. This is the reason why I opened the doors. I am willing to sit down with the business associations, the businessmen, social groups, and the social organizations that support us.

[EL TIEMPO] Why ride on the back of a reform in order to discipline the Office of the Prosecutor General and the courts?

[Samper] I believe that the Office of the Prosecutor General is also convinced of the need for reforms. These are not issues which I just pulled out of a hat. In many cases, these are concerns the courts have raised. For example, the issue of petition for protection [tutela], which is taking up practically all the courts' time and preventing it from operating normally, along with the issue of constitutional control in a state of unrest. The courts have sincerely expressed concern about these issues.

[EL TIEMPO] It has been understood that you want to reduce the autonomy of the Prosecutor General's Office, the Constitutional Court, and the board of directors of the Bank of the Republic because your power should not be restricted by others.

[Samper] There are controversies not only between the executive branch and the courts, but also among the courts themselves and between the National Congress and the courts. I believe that the best lesson that this crisis has taught us is that we need to make an institutional readjustment in order to define certain gray areas and to fill certain institutional voids, which were left by the 1991 Constitution. I do not propose this as a counterreform or to challenge the authors of the Constitution. Constitutions are like clothes: they have to be adjusted by lengthening sleeves and shortening pants.

[EL TIEMPO] At this point, do you feel, as one of your ministers said, like the head of a powerless branch of government?

[Samper] I do feel that the president has limited power, at least in facing the challenges that are before him. Given my current functions, it is difficult for me to successfully implement, for instance, an overall fighting strategy in the area of public order, to fully fight drug trafficking, or even to make advancements in the fight against poverty.

[EL TIEMPO] However, do you not believe that Colombia's crisis has more to do with ethical values than with institutional matters?

[Samper] Yes. I have always thought that there is a problem of values. I differ from some other analysts as to what settings and what rules of the game should be used with regard to this crisis of values. If one always believes that the ethical conflict must be settled in public debates, squares, or in the closed corridors of academia, then everyone will simply be entitled to dominate over one's contender, and the law of the strongest will ultimately prevail. What we have to establish is a clear set of rules to have this discussion and, of course, this has to be done, and I am not avoiding it.

[EL TIEMPO] Many people have said that the central government's line of defense in this whole crisis is: "Since everybody has done it, since drug money has entered a lot of areas of the economy and politics, there is no reason why I should be guilty." Is that right?

[Samper] No. They are totally wrong. What I have said is that sacrificing the president will not necessarily have prompted the country to make long-term amends with regard to drug trafficking. Regardless of whether Samper is here or not, Colombian society must come out of this crisis with the clear commitment of collectively and sincerely reflecting on the headway drug trafficking has made in penetrating society, economic activities, and also, of course, politics. Putting it another way, this is not an issue of saving my hide. If society wants to solve the problem of drug trafficking, it has to accept this is a social reality and handle it as such.

[EL TIEMPO] Going back to the trial, why did your lawyer and the majority of the pro-Samper bloc, led by Martha Catalina Daniels, use the strategy of blocking the double voting process: one for criminal responsibility and the other for political responsibility? Doesn't this leave a cloak of doubt on the president's responsibility?

[Samper] People discussed the two issues broadly throughout the debates. The arguments published by EL TIEMPO reporter Bernardo Gaitan Machecha regarding the absolute indivisibility of conduct and judgement were very convincing. The legal integrity of the process would indeed have been jeopardized if two sentences were given in one sole process as this would have been openly unconstitutional. When a decision was reached on the two issues, because at no time were any of the two debates deferred, and based on the consideration that conduct is indivisible and that the sentence had to be made jointly so it could have legal validity, the proposal for a single vote was made.

[EL TIEMPO] What do you expect from Vice President Humberto de la Calle?

[Samper] I don't expect problems. My concern is that Humberto de la Calle is treated as if he were not part of the government. Dr. De la Calle is the vice president of the government and I expect, I am sure, that he will back the proposals for national reconciliation made by the government. Actually, we had the opportunity of discussing some of those issues, and he gave me several suggestions that I included in the final version of my speech.

[EL TIEMPO] Does this mean he will enter the political slate?

[Samper] He is in the political slate. He is not a member of the visiting team but a member of the home team in the government and that is why talks with him take place internally and not as if it were a discussion with someone foreign to the government.

[EL TIEMPO] What role will contentious businessmen and associations play in this restoration agenda? What place will you reserve for them?

[Samper] First of all, I am absolutely willing to meet with them regarding issues related to the business associations. At the time, I understood that a legitimate concern prompted them to want to participate and give their opinions for solutions to the political crisis. However, now that I have decided to offer a solution to the country, a solution I am going to work on to the end, I believe my talks with the business associations will broach issues that should be in their interest.

[EL TIEMPO] Do you believe the situation will allow you to make an in-depth reorganization of the government and to "de-Samperize" the cabinet?

[Samper] I believe the "de-Samperization" of the cabinet, as you call it, is important. However, the government's programs and projects were not invalidated in any way, because most of the cabinet members were committed to my political platform. This did not even have a positive or negative influence on the worsening of the crisis. I believe it is important because I believe that if I am proposing the need for an opening, some of my friends will probably have to sacrifice the space they have held for other people from other sectors to come in.

[EL TIEMPO] Why would you keep ministers with cases pending before the law?

[Samper] For the same reason that they have not left. Because these people are innocent at this time.

No charges have been filed against them. A favorable ruling was initially issued, and I would not accept now that they leave the cabinet, imposing on them a political penalty, when they have not even had a judicial one.

[EL TIEMPO] What would you say to those who think that the president is imprisoned in his own country because the crisis has prevented him from traveling abroad?

[Samper] Unfortunately, and there is no reason why you should know something like this, the international agenda in Latin America is slow during the first semester of the year.

All important meetings take place in the second semester. So, the truth is that, with the exception of the cancelation of the visit to Japan, no modification was made to the international agenda and the president did not miss any important forums.

[EL TIEMPO] Do you feel exuberant and triumphant following the Chamber's ruling?

[Samper] Absolutely not. I am not celebrating and I cannot celebrate. I think that this should never have happened to me, being involved, as I was, in a judicial process, charged with an offense I never in my life thought I would ever be charged with.

It is as if you were to be accused of homicide at this time. Wouldn't you be perturbed by that?

[EL TIEMPO] Certainly... An speaking about "certainly," the release of former President Gaviria's brother has been extremely controversial. Did you win the support of former President Gaviria with the way you handled his brother's case?

[Samper] I believe this is a wrong approach. I would have done the same thing under any circumstances. And I never attempted to derive from this a form of political rapprochement, much less a personal rapprochement, because my relations with President Gaviria have always been excellent.

I did what my conscience told me I should do. I am very satisfied that the result was the release of Juan Carlos Gaviria. I invite those who are now criticizing the process to win his release to consider the opposite scenario: witnessing the execution of Juan Carlos Gavria and the effects this may have had for the country, his family, his city, and also internationally.

[EL TIEMPO] To what extent did you get around the law in this case?

[Samper] We did not get around the law. Colombia is a signatory of Protocol II, the agreements on humanitarian law of the Geneva Convention. These agreements clearly establish the possibility of reaching agreements, similar to those that we reached, when it is confirmed that the life of a person is clearly in danger.

[EL TIEMPO] Going back to the political arena, do you think that the Liberal Party is on the verge of one of the greatest splits in its history?

[Samper] The Liberal Party is at its best or worst moment, according to the decision it will adopt in the immediate future.

If the party adopts a clear decision to play its card as a progovernment party, working in social projects, which have been the reason for its existence, the Development Plan; reforming, without splits, the 1991 Constitution; giving room to other social and political forces that want to commit themselves to the Social Leap and the economic reactivation and with the national restoration program; if it ultimately makes the appropriate decision, the party will be consolidated.

[EL TIEMPO] What place do you reserve in the National Restoration Agenda for people like Andres Pastrana and Noemi Sanin?

[Samper] That depends on them. I have made an open invitation, and I also respect the right people have to keep their distance or draw close to the program I have offered.

[EL TIEMPO] Do you think the United States will apply sanctions in the wake of the Chamber's decision?

[Samper] The possibility exists of course. I am simply going to make one comment: the decision would be as erroneous as the decertification, for two reasons. First, because the weakening of Colombia's production capacity would only benefit the drug trafficking cartels, as they would have a free hand to infiltrate those places where legal activities depart on account of the sanctions. To put it in graphic terms, coca will be planted in the fields where bananas are now planted. Second, I would consider the sanctions erroneous because we presume that the sanctions will only be unilateral and will only hurt Colombians.

Let me tell you that in the balance of trade, Colombia buys much more from the United States than it sells to it, and so commercial interests in the United States would also be hurt.

In addition, most foreign investments on an individual basis in Colombia come from the United States. U.S. commercial airplanes carry a larger number of passengers to Colombia — which is Latin America's most profitable route — than Avianca and Aces do.

[EL TIEMPO] Some people are proposing the scenario in which Avianca and Aces are sanctioned but American Airlines is not ....

[Samper] It so happens that air agreements are bilateral. If Avianca and Aces are not allowed into the U.S. market, the logical as well as internationally accepted response is to deny reciprocity to U.S. airlines that arrive in Colombia.

[EL TIEMPO] What do you think of the support you have received from the Santo Domingo Group and other economic groups and from EL TIEMPO's editor?

[Samper] I begin with the last part. The support Hernando Santos has given me has not just been in terms of editorials of support — something for which I am grateful, of course — because that percentage of Colombians who read EL TIEMPO's editorials continue regarding it, as I did today (Saturday), as a ray of balance.

All this time, EL TIEMPO's editorials have provided a space for sanity in the midst of so much polarization.

The personal aspect also counts. I mean the possibility of having trusted people to talk to, with whom to discuss concerns, and that possibility has always existed for me with Hernando Santos.

With regard to the groups, and not just the group that, as you stated, has expressed its support but the others that have done the same, what I want to point out at this time is the attitude of what we could call the "big shots."

The major business groups kept a neutral stance, and I think this was a factor that allowed the government to remain stable during the crisis. This neutrality best served the interests of the productive sector in preventing any storm or abrupt change in the political situation from obstructing what is ultimately their wish, namely, to work and produce for Colombia.

[EL TIEMPO] So then, you "fastened" yourself to the seat.

[Samper] No, no, no... the thing is that I never unfastened myself from it.

Colombia: Military Endorses Samper Reconstruction Plan

PA1406184096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 14 Jun 96

[Report by Carlos Gomez Herrera; from the "The Midday Newscast"]

[FBIS Translated Text] This is a report from the headquarters of the Colombian Navy's 7th Fusilier Battalion. The Armed Forces today expressed support for the national reconstruction agenda presented by President Ernesto Samper in the past few hours. Joint Chief of Staff General Ramon Eduardo Niebles Uzcategui said:

[Begin recording] [Niebles Uzcategui] President Samper has recognized the Armed Forces' stand of strictly abiding by constitutional principles. The whole country should also share in this recognition.

[Reporter] Do you also endorse President Samper's call for national reconstruction? What is your message for the Colombian people?

[Niebles Uzcategui] Every honorable person surely believes that the country's well-being should come first. Everything the Colombian people can do for their country's good is well done. [end recording]

Navy Commander Vice Admiral Roberto Serrano and Air Force Commander Gen Hector Hernando Gil Nieto agreed with Gen. Niebles Uzcategui. Gen. Gil Nieto attended a promotion ceremony for high-ranking officers at the 7th Fusilier Battalion's headquarters.

Colombia: Fedegan, Liberal Party Support Samper Plan

PA1606043996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 15 Jun 96

[Report by Fabio Callejas Ramirez; from "The Midday Newscast"]

[FBIS Translated Text] Important leaders of the Liberal Party continue to express their full support for Colombian President Ernesto Samper's proposed National Restoration Agenda. It should be noted too that Fedegan, the Association of Colombian Cattlemen, has today become the first national business association that has accepted the Chamber of Representatives' decision. A communique addressed to President Samper states that Fedegan's board of directors expresses its satisfaction with the Chamber's democratic, juridical, and public decision that exhonerates President Samper of the charges filed against him.

Meanwhile, members of the Liberal Party pledge to support the National Restoration Agenda from the National Congress. What does Dr. Luis Fernando Londono Capurro, Liberal senator of Valle del Cauca Department and virtually the candidate for the congressional presidency have to say?

[Begin Londono recording] As soon as I take office as Congress president next 20 July, I intend to decisively cooperate to promote the constitutional reforms that the country requires as well as the bills that seek to strengthen justice [words indistinct] the state to decidedly continue the fight against drug trafficking and corruption. [end recording]

Dr. Londono has also said that President Samper's call should be heeded, thereby giving the government a respite in this regard. What does National Liberal Directorate President Emilio Lebolo have to say?

[Begin Lebodlo recording] Look, the Colombian people should welcome, discuss, and examine these proposals, because these proposals might be the basis for building governability. [words indistinct] it should be a fight against drug trafficking and corruption with in-depth and profound political reforms that were never made to [word indistinct] transform Congress and the judicial branch. [end recording]

[Callejas] Therefore, there is a decided support for the head of state's initiatives, which will be discussed and debated after 20 July at the next legislative session.

Colombia: San Andres Representative Surrenders to DAS

PA1406185796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 14 Jun 96

[From "The Midday Newscast"]

[FBIS Translated Text] Representative Ana Garcia de Pechthalt has just turned herself in to the authorities in the DAS [Administrative Department of Security] (Chinilla) Education School and was placed under arrest without bail at the Supreme Court of Justice [CSJ] for the crime of illegal enrichment.

The CSJ is investigating the San Andres representative in connection with Case 8000 for allegedly having received huge sums of money from the Cali Cartel.

Pechthalt has become the eighth parliamentarian sent to prison by the country's highest court.

Colombia: Justice Minister on Antidrug 'Package'

PA1706183096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 17 Jun 96

[Telephone interview with Colombian Justice Minister Carlos Eduardo Medellin by Edgar Artunduaga and Judith Sarmiento; place not given; from "Caracol's 0600 to 0900" newscast; live]

[FBIS Translated Text] [Artunduaga] Minister Medellin, we have diagnosed our laws and our justice situation, and the country knows it. The next step is to determine how to face this situation. We understand that there is a package ready to present to the Congress, and that this package contains very drastic and important measures designed to stop impunity, in addition to the ongoing deterioration of the country. Good morning, again, Mr Minister. What are these projects?

[Medellin] Good morning. We have three bills ready. I will summarize them: The first package would authorize the state to take over the assets of drug-traffickers and to auction them. As the law is right now, the state can seize such assets but cannot auction them, which is absurd.

The second package would review the surrender policy that permits criminals to negotiate their surrender and their penalties, that is, to negotiate with the law. This package would eliminate this policy and revise penalty-procedures on drug-trafficking, making money-laundering an autonomous crime and making the status of being a boss of a criminal organization a crime. Right now they are being tried as simple drug-traffickers.

Fines for billions would be established for people dedicated to drug-trafficking. Right now, fines in Colombia are for 10 million pesos. Now, however, they would be for up to 7.5 billion pesos, or $7.5 million, plus imprisonment for up to ten years.

The third package has to do with international cooperation, as the European countries and the United States have requested, based on the Geneva Convention of 1968. Decisions taken by foreign justices abroad, such as the seizing of property and confiscations, would be effectively and much more expeditiously processed in Colombia.

These are three bills that will give the current laws on drug- trafficking a complete turn-around because, as I was explaining here a while ago and as we pointed out at the United Nations, Colombia's legislation is perhaps the weakest of all the legislations in the world.

[Sarmiento] Mr Minister, after the bill is approved, at what moment of the process will this authority over drug-trafficking assets be effective, and what will be done with money collected this way?

[Medellin] There are two opportunities: In the penal process, the law would mean that judges would have the obligation to declare whether it is appropriate or not to auction or not to auction an asset at any given moment, regardless of whether the process ends due to preclusion, withdrawal of the lawsuit, etc. For example, if the person dies. Nowadays, justices cannot do anything with assets. With these bills, justices will have to decide if an auction is appropriate or not, regardless of whether the process concludes or not. It does not matter if the process ends, or when it ends. He will also be able to do this at any moment during the process. This is a great mechanism.

There is another mechanism, the mechanism listed in Article 34 of the Constitution of 1991, an article that has not been implemented and that takes the administrative route. The state can file suit not before criminal court justices but before administrative court justices.

These are two big avenues the state can use to seize assets. A special fund will be created through a special account of the National Narcotics Division to accomplish three specific objectives:

1. To struggle against drug-trafficking, of course.
2. Health programs
3. Education programs

[Artunduaga] Mr. Minister, what new crimes are being specified with these new regulations? What will be the sentence for drug-trafficking, based on the government's bill?

[Medellin] A new crime will be established: being the boss of a criminal organization. This is the person who organizes or promotes this type of criminal organization. This activity is a crime. Bosses of criminal organizations are currently being tried as simple drug couriers. In Miami or Spain, these couriers receive harsher penalties than a drug-trafficking boss receives in Colombia. The bill calls for 15 to 30 year sentences. Likewise, dollar-laundering [as heard] will be a new crime. As it is now in Colombia, this crime falls under the money concealment category. We are establishing a structure for all money-laundering-related crimes because implementation of the concealment category is inconvenient when drug-trafficking is involved.

The new dollar-laundering crime has penalties ranging from four to 12 years.

The drug-trafficking crime, which right now carries sentences ranging from four to 12 years, will carry a penalty of six years.

[Artunduaga] Mr Minister, how will the surrender-to-justice policy change and what is the reason for the change?

[Medellin] It will be eliminated.

[Artunduaga] Totally? Radically?

[Medellin] Totally. Yes. The only instrument that will remain is confession. Confessions have always existed in criminal processes. Pre-sentencing will also remain. Nowadays, confessions, accusations, special audiences, pre-sentencing, and all the procedural means used as encouragement for criminals to surrender call for sentence reductions, and, as the law functions, reductions add up and we end up having a 30-year sentence that can easily become a five or six years sentence.

[Artunduaga] Dr. Santur said a while ago on Caracol that this was a powerful tool for Colombia in the struggle against drug- trafficking and criminals. Is this not the case?

[Medellin] No, to be honest, I do not think so. It is a powerful tool in the sense that it encourages criminals to submit to justice, but to what kind of justice? They submit to a penal system that will sentence them [words indistinct] so there is this incentive to tell a person: If you surrender you will have a penalty reduction. But these are very serious crimes that have harmed society very much, and penalties are being negotiated and sentences then amount to five or six years and this, frankly, is not justice.

[Artunduaga] And they keep their properties.

[Medellin] And their property cannot be seized from them. The Italian prosecutor general was here a few days ago, Prosecutor [words indistinct] you remember him.

[Artunduaga] Very famous.

[Medellin] He came on a UN project. The prosecutor of Paris also came. A series of experts visited and when they examined Colombia's legislation they could not believe it. They cannot believe that in Colombia a cartel boss can be released after five or six years, and that his property cannot be seized from him and that if he happens to die, his children inherit everything. They cannot believe that. This does not happen anywhere else in the world, and we, with our drug-exporting reputation and these laws, do not look very good and I think that rightly so. You will recall that the surrender policy emerged at a time in our history when terrorism, narcoterrorism, was afflicting us, and narcodrug-traffickers, such as Escobar and Rodriguez Gacha, did not submit to the surrender policy. The ones who surrendered were another type of drug-traffickers, who will soon be enjoying their fortunes, when they leave prison.

[Artunduaga] This means, Mr Minister, that the legalization of the seizing of property acquired from illegal fortunes will be effective only in the future? It cannot be applied on big bosses currently under arrest or on other drug-traffickers who have been sentenced?

[Medellin] We have to be very clear on this: In Colombia, laws are not retroactive. The Constitution says this. Most constitutions in the world are like this. If it is proven, however, that this property is being used for drug-trafficking, if it is demonstrated that a property was acquired with drug-trafficking money, that property could be seized at any moment because the [three words indistinct] law is not a criminal law but an administrative law.

The idea is not, of course, to seize for the sake of seizing. It is necessary to prove that this property is being used to commit this crime. This way we can seize any property.

[Artunduaga] In other words, high and medium level drug- trafficking bosses will be tried under the current laws, which are too weak, in comparison to those that are coming; but the current laws are the laws in effect now.

[Medellin] Yes, unless new actions develop, unless they continue committing crimes, and unless there are investigations on new actions. In such cases the new law would apply to them.

[Artunduaga] Are the bills ready, Mr Minister?

[Medellin] Yes. They are absolutely ready. We have worked on them for several months. It is a complex and technical matter. It is not a big reform or another penal code. Perhaps the Justice Ministry will publish them this week. You will see that they are very specific points on specific norms of the code. These are not new statutes. This is something very technical and [two words indistinct].

[Artunduaga] Thank you Minister Medellin for being with Caracol this morning.

[Medellin] Thank you.

Colombia: Army Chief Urges Continental Antidrug Effort

PA1506122896 Madrid EFE in Spanish 2039 GMT 11 Jun 96

[FBIS Translated Text] Santa Fe de Bogota, 11 Jun (EFE) — Colombian Army Commander General Harold Bedoya Pizarro proposed today to his colleagues from all over the continent who are gathered here to unite the antidrug efforts of all their military corps.

"As long as this illegal business is profitable, any country on the continent could suffer from the violence that drug trafficking generates," Bedoya Pizarro said during the Logistics Conference of American Armies (CLEA), which is attended by 13 countries and which will close next Friday.

At the opening, the Colombian Army Commander also voiced his country's interest in becoming an exporter of field rations (food for the troops) and of camouflage uniform cloth.

Bedoya Pizarro noted that continental free trade agreements will strengthen the initiative of integrating the armed forces, and he added that although the antidrug struggle is unnecessary in some countries, it is important to count on international aid.

The officer pointed out that free trade zones will also facilitate the exchange of army equipment.

Other military commanders participating in the conference came from Argentina, Bolivia, Brazil, Canada, Chile, Ecuador, El Salvador, the United States, Guatemala, Honduras, Peru, Uruguay, Venezuela.

Colombia: Samper Welcomed in Barrancabermeja

PA1706035696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1730 GMT 16 Jun 96

[Report by Cesar Augusto Gonzalez from Barrancabermeja; from "The Midday Newscast"]

[FBIS Translated Text] Good afternoon. President Ernesto Samper spent approximately 16 hours in Barrancabermeja, where he inaugurated a national sports complex worth 1.7 billion pesos. More than 100,000 of his supporters from this city applauded him and welcomed him with Colombian flags. At this event, Samper said that his term ends at 1500 on 7 August 1998. He added that his political adversaries have much to learn from the rules of the game instead of trying to win using dirty tricks.

[Begin Samper recording] We Colombians also have to learn something from sports rules. We need to learn that one competes within democratic rules, but we must also learn to accept the results, we must accept those who win through clean competition. We need to learn that the spirit of good sportsmanship consists of recognizing the virtues of our adversaries and of not trying to win using dirty tricks. We have to admit that sports require a calm spirit for competition; one must not compete based on hatred and rancor, the best way for a sure defeat. That is why, from the stadium in Barrancabermeja, I want to urge all Colombians to learn from the spirit of competition, the respect of democratic rules, and the need for the people of this country to realize that our rights end where the rights of others begin. If we manage this, we will have a better country. Because of this, following this week's Chamber of Representative's decision, I reach out to all Colombians so that we may find our way. [end recording]

President Samper visited Barrancabermeja accompanied by the interior, defense, education, and health ministers, as well as by National Police Director General Rosso Jose Serrano Cadena and the Armed Forces commander.

Interior Minister Horacio Serpa Uribe, a native of Santander Department, told his electorate that President Samper came to Barrancabermeja to promote his reelection. Serpa explained what he meant in Bucaramanga yesterday when he said that the head of the opposition was an elderly 90-year old gaga man:

[Begin Serpa recording] I said that certain sectors of our country are in such bad shape that the opposition leader is an elderly 90-year old gaga man. A journalist called me this morning to ask who I was specifically referring to yesterday at the National Stadium in Bucaramanga. I want to publicly reply to that question: I was referring to a citizen who spends his time strolling through Bogota's Bolivar Square trying to find people hostile to the president of the Republic, insulting ministers, and using all sorts of offenses. This is truly abominable behavior. The problem is that this country has too much riff raff, which is something we can do little about. [end recording]

This was Minister Serpa Uribe, a native of Santander Department.

The president, the ministers and their delegations left for the capital a few minutes ago.

Colombia: Editorial Lauds OAS Unanimity on U.S. Law

PA1706185596 Medellin EL COLOMBIANO in Spanish 7 Jun 96 p A5

[Editorial: "The OAS Rebellion"]

[FBIS Translated Text] The OAS has taken an autonomous and independent stand before the United States for the first time in its history, with majority approval of a resolution rejecting the Helms-Burton law at the very onset of the 26th OAS General Assembly in Panama City. The United States, used to OAS members toeing its line almost unconditionally, was left all alone; it could hardly garner a single vote. The U.S. ambassador was outraged at a united American Continent —

including Canada — which questioned the international validity of a U.S. domestic law that affects third parties, that is clearly extraterritorial in nature, and that violates OAS principles.

The U.S. Congress approved the Helms-Burton law on 12 March 1996. The law allows for, among other things, political and economic sanctions against businesses and individuals that trade with Cuba. The so-called "Cuban Liberty and Democratic Solidarity Act" was passed after Cuban fighters downed two civilian aircraft owned by Cuban organizations based in Miami. The law stiffens the blockade of Cuba through a series of measures that Canada and the EU have rejected from the very beginning, revealing a clear rift among U.S. allies. With this support and acting as one, Latin America also dared to bluntly express its rejection of a unilateral provision that, because of its effects, is frankly inadmissible from the standpoint of international law.

The Bolivian foreign minister presented the OAS proposal on behalf of the Rio Group; 32 of the 34 members sponsored the proposal; the 23 foreign ministers who participated in the vote approved the proposal; 10 delegations were absent at the time; the United States cast the only nay. This resolution asks the Inter-American Juridical Committee to determine if the aforementioned Helms-Burton law complies with international law.

Harriet Babbitt, U.S. permanent representative to the OAS, reacted strongly, describing the stand that Canada and the Latin American nations took as "diplomatic cowardice." She even dared to say that this resolution "violates the principles of noninterventionism."

Who are they to criticize? The United States should be annoyed, as it had never before lost a battle in an OAS that always gave in to its orders.

If we consider that the Inter-American Juridical Committee's decisions are nonbinding, this historic resolution would represent nothing more than a fighting and courageous action. That is why, however, it is significant. The OAS should consolidate an equality on "equal terms" if it wishes to play a truly effective role in the hemispheric order. What took place in Panama City constitutes a landmark in relations between Latin American and Caribbean countries and the United States. They have overcome the fear to dissent.

Washington knows very well that although our countries are weak, we may become the future battleground for commercial disputes. The U.S. Government can no longer ignore those in its "backyard": It must cross swords with its economic competitors, like the EU and Japan.

Nevertheless, it is most significant that this OAS action constitutes an attempt to halt the interference and economic pressures that the United States uses more and more shamelessly against our countries. This is not a matter of solidarity with the Havana regime, whose democratization all brotherly governments support, but of today's blockade against Cuba possibly proving the destiny of others tomorrow. Colombia has already become the victim of decertification; economic sanctions are likely if Colombia does not adequately resolve its current internal crisis.

The OAS rebellion is an unexpected diplomatic defeat for Washington. Latin American and Caribbean countries have had the courage to contradict their powerful northern neighbor this time, opening the way for Latin America to discover the strength that it can draw from unity.

Colombia: Police Seize Jega Weapons, Arrest 2 in Cali

PA1606001196 Santa Fe de Bogota EL TIEMPO in Spanish 15 Jun 96

[Received via Internet]

[FBIS Translated Text] An operation by the Unase [Antiextortion and Kidnapping Unit] group of the Cali Metropolitan Police against members of the "Jega" [Jorge Eliecer Gaitan Movement] group, which had abducted Juan Carlos Gaviria, resulted in two arrests and the seizure of weapons, ammunition, and military equipment.

According to Unase spokesmen, Rene Mauricio Cortes Llanos and Maria Tamayo Agredo were arrested on Primera Bis Avenue No. 59-81, in the neighborhood of Barranquilla, located in northeastern Cali.

The police report indicates that two 9 mm guns, four rifles, two telescopic sights, two sets of binoculars, 29 boxes with more than 1,000 cartridges of different calibers, a cellular phone, and military uniforms were found in the house.

This operation on of a series of operations in this capital designed to dismantle the "Jega" network, the same subversive group which, changing its name to "Dignity for Colombia," held captive the brother of former President Cesar Gaviria.

In addition, the following persons were arrested and flown to Cuba as part of the agreements reached with "Dignity:" Myriam Ospina, wife of Hugo Antonio Toro alias "Bochica;" Freddy Llanos alias "Santiago," who is deemed to be the group's second ranking man; his wife "Marcela;" a man known as "El Paisa;" and a five-month-old baby, the son of "Santiago" and "Marcela."

Colombia: Movement for Dignity Reportedly in Atlantico

PA1406171996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 12 Jun 96

[Report by Victor Lopez; from "The Midday Newscast"]

[FBIS Translated Text] Barranquilla — We are again hearing about the Movement for the Dignity of Colombia, a group that has been linked to recent violent events in Colombia. The group seems to be present in the Atlantico Department.

Atlantico Department authorities, in particular, the 2d Army Brigade and the DAS [Administrative Department of Security], are checking the authenticity of a document reportedly sent by the Dignity for Colombia group to Deputy Jorge (?Herne) Echeverria.

He reported that he has received death threats from the group that held Juan Carlos Gaviria Trujillo prisoner. The cause of the threats is a reported negotiation between the deputy and Chamber of Representatives member Carlos Alonso Lucio, who has been summoned to stand trial for slander.

Colombia: ANDI Polls Businesses on Sector Problems

96SM0374A Santa Fe de Bogota EL TIEMPO in Spanish 13 Jun 96

[Received via Internet]

[FBIS Translated Text] The Industrial Opinion Poll reveals that production declined by 0.9 percent in April. ANDI [National Association of Industrialists] indicates that the verdict from the House will not solve the crisis. The Colombian productive sector could embark on a phase of genuine recession starting in the second half of this year, if the political and economic conditions fail to improve.

According to the Industrial Opinion Poll taken by the National Association of Industrialists, jointly with ACOPI [Colombian Association of Small Industries], Acoplasticos [Colombian Association of the Plastics Industry], Andigraf [National Association of the Graphics Industry], ICPC [expansion unknown], and Fedemetal [Colombian Federation of Metal Industries], the economic situation of business owners worsened during April. This is shown by the fact that production dropped by 0.9 percent, and sales had a 0.7 percent decline.

This performance is significant, because the poll covers over 400 industrialists from all economic sectors, representing nearly 50 percent of the national productive sector.

One of the main problems afflicting business firms is insecurity. This view was expressed by 97 percent of those polled, who claim that insecurity has increased their costs, owing to the rise in freight charges and the hike in insurance. Furthermore, they have been hurt by the theft of goods and land-based piracy.

Other obstacles preventing a better performance by business firms are, first, low demand, affecting 26 percent of those polled, followed by high financial costs for 13.3 percent, the slow rate of turnover in the portfolio in the case of 11.6 percent, as well as contraband, and lack of capital.

The industries also complain of the large inventories of finished products and the drop in the volume of orders for the coming months.

And What About the Political Crisis?

One factor that is having an unfavorable effect is the political crisis, because it is generating great uncertainty among investors, and deferring expansion plans.

On this subject, the ANDI president, Luis Carlos Villegas, asserted that the country is unquestionably facing a recession, considering the degree of slowdown in certain sectors. Virtually a mere 5 percent of the business owners queried claimed to have no problems, whereas, according to 95 percent, the business situation is fair or bad.

The private sector expects the Colombian economy to grow this year, perhaps as much as 2.5 percent: a very pessimistic forecast compared with the government's estimate of 4.0 percent.

Moreover, business owners have begun to identify the economic crisis as a problem: so much so that 53 percent of those polled admitted that the crisis has affected their investment decisions.

The association's leader noted that, to prevent the economic situation of business firms from deteriorating further still, it is necessary for the government and the Central Bank to expend an additional effort to cut interest rates more, remarking that a three-point reduction is insufficient.

Samper Lacking Governability

Villegas was of the opinion that the crisis problem being experienced by the country is so deeply rooted that it will not be solved with the verdict from the House of Representatives.

Confidence will not be restored among national or foreign investors by a decision of the Congress, because there are no conditions for governability.

Villegas remarked: "The verdict is merely a constitutional phase. The debate will continue on other judicial levels, such as the Constitutional Court."

He declared that confidence must be restored among investors. A first step in this direction will be taken if President Samper resigns. He claimed "President Samper is incapable of generating that confidence by continuing to govern."

With regard to the proposals for a great national agreement on emerging from the crisis, the ANDI president maintained that the solution to the problem besetting Colombia does not lie in a change of cabinet nor in new faces.

"There must be a debate on the initiation of a national agenda for the country's reconstruction, which will entail solving the problems of justice, education, law and order, and citizens' security, among others. These obstacles are not going to be resolved between now and August; on the contrary, this will require nearly 20 years."

The ANDI president also questioned the very careless way in which the government is treating the issue of the possible economic sanctions on the part of the United States. He declared: "The sanctions are possible and likely, and they weigh on the legal productive sector as a major threat."

Therefore, ANDI does not consider it advisable for the Samper administration to announce compensations for the sectors affected, because this only tempts the United States to adopt retaliatory measures.

Colombia: More Companies Seen in Financial Straits

96SM0377A Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Jun 96

[Received via Internet]

[FBIS Translated Text] A veritable deluge of concordats [arrangements between insolvent debtors and creditors] has inundated the productive sector during the course of the 1990's.

A study made by the Superintendency of Corporations shows that, during the past five and a half years, it has accepted or summoned 155 companies for a mandatory preventive concordat.

The largest number appeared in 1995, with 57 business firms involved, representing 37 percent of the total.

The figure could prove more significant this year because, as early as 31 May, 20 concordats had been accepted. Furthermore, during this fiscal year, unipersonal limited liability companies will be subject to those proceedings.

Too Expensive

According to the information reported by the companies, the main causes that have led to the concordat are a decline in sales, economic liberalization [apertura], difficult access to credit, production costs, and the restrictive monetary policy "that is leading to the prevalence of high interest rates."

In 1996, specifically, the most serious problem has been the high financial costs.

The manufacturing industry has been the one hardest hit, with a total of 85 companies in a concordat, representing 54.8 percent of the total.

Prominent in this group are the textile manufacturers, with 32 companies involved.

They are followed by commerce, with 34 firms; agriculture, with 15; and mining, with nine.

When the situation is examined according to cities, Bogota ranks first, with 62 bankruptcy proceedings: 40 percent of the total. Medellin appears in second place, with 25.2 percent of the processes; followed by Cali, with 10.9 percent.

Consistent with the distribution of industry in the country, these three cities account for 76.12 percent of the concordat proceedings that have been carried out since 1990.

The study by the Superintendency of Corporations shows that the largest business firms, based on assets and liabilities, that have been subjected to the concordat during this period are Acerias Paz del Rio [Paz del Rio Steel Works], C.I. Banacol [C.I. Colombian Banana Company], Quintex, Fabrica de Hilazas Vanylon [Vanylon Yarns Factory], and Titan.

Ecuador

Ecuador: Leoro To Discuss Demobilization in Tudela Talks

PY1706194696 Madrid EFE in Spanish 1738 GMT 15 Jun 96

[FBIS Translated Text] Quito, 15 Jun (EFE) — Ecuadoran Foreign Minister Galo Leoro said today he will discuss with his Peruvian counterpart Francisco Tudela the border troop demobilization issue during a meeting between the two foreign ministers in Buenos Aires next week.

Leoro said that although the demobilization issue is not on the agenda for the meeting scheduled for 18 and 19

June, he will take the opportunity to discuss this issue and thus progress with the peace process.

"Discussions on issues of national concern are always held when there is an opportunity," said Leoro regarding the alleged Peruvian failure to demobilize its troops from the border region.

Leoro added: "We requested that our charge be verified. We have enough evidence that there are many soldiers in an area which, under the Itamaraty Peace Declaration, should be demilitarized."

He said his talks with his Peruvian counterpart were restricted to procedures to be implemented in future border negotiations in an effort to end the historical territorial dispute.

Leoro left today for Buenos Aires to attend the foreign ministers meeting, which will also be attended by Deputy Foreign Ministers Juan Jose Uranga of Argentina; Favio Vio of Chile; and Ivan Canabrava of Brazil; and U.S. representative Luigi Einaudi.

Ecuador: Army Commander Rules Out Military Dictatorship

PY1706163996 Madrid EFE in Spanish
0146 GMT 15 Jun 96

[FBIS Translated Text] Quito, 14 Jun (EFE) — General Paco Moncayo, commander of the Ecuadoran Army, stated today that any possibility a of dictatorship in Ecuador must be rejected, and urged voters to be responsible in the 7 July elections.

Gen. Paco Moncayo said: "A military or any other type of dictatorship is not an alternative under current circumstances." He added that "the people must vote with civilian responsibility and seek the best future" in the presidential elections on 7 July.

The general said: "The vote is one of the most profound democratic actions in which citizens must exercise responsibility, for the love of their fatherland, with all their patriotism, because the vote creates the future of the country."

The Army commander added: "Alternatives like dictatorships are absolutely unacceptable, and I believe no one is considering them."

Some 6.6 million Ecuadoreans must choose their future president in the runoff and final election slated for 7 July, in which Social Christian Party candidate Jaime Nebot and populist Abdala Bucaram are the candidates.

Ecuador: Bucaram 'Reluctantly' Meets With Duran-Ballen

PY1706180296 Madrid EFE in Spanish
1904 GMT 14 Jun 96

[FBIS Translated Text] Quito, 14 Jun (EFE) — Ecuadoran presidential candidate Abdala Bucaram today, 14 June, "reluctantly" attended a meeting with President Sixto Duran-Ballen, who briefed him on how to conduct an orderly transition of power following the 7 July elections.

The Ecuadoran Roldosist Party candidate Bucaram said: "I am reluctantly attending this meeting because of the implicit complicity by the government in a dirty political campaign." Bucaram demanded action from the government to stop the presumed "criminals" who — he says — seek to kill him.

Although police and Civil Aviation officials have minimized the denunciations by Populist Abdala Bucaram on the presumed murder attempt against him, he termed "inadmissible" the fact that the Ecuadoran Government has not sought to stop the presumed criminals.

Asked if he will hold a public debate with his opponent Jaime Nebot of the Social Christian Party, Bucaram said: "I will provide information to the press, not to criminals."

To do this, he summoned four journalists of named media organizations, to a meeting on 4 July to provide them, "for as long as they want," information on his government plans.

On 11 June, Nebot agreed to hold a public debate with Bucaram, who rejected the proposal by the Ecuadoran media while the presumed dirty campaign continues against him.

The political campaign that precedes the runoff elections has been stained over the past two weeks by attacks between the two candidates and continuous reports and denials of presumed attacks.

The candidates, especially Bucaram, continue to attract votes from political parties and social organizations. Today the Roldosist party candidate signed an agreement with the Alfarist Radical Front, led by current Congress President Fabian Alarcon.

At the start of the meeting with Bucaram, which follows the one held on 11 June between Duran-Ballen and Nebot, the president said he is willing to meet as often as necessary with the candidates to brief them on the country's situation.

Bucaram and Rosalia Arteaga, vice presidential candidate for the Ecuadoran Roldosist Party, were briefed

— especially on the territorial problem with Peru — by Foreign Minister Galo Leoro, Defense Minister Alfonso Alarcon, Government Minister Xavier Ledesma, and Finance Minister Ivan Andrade.

The provisional results of the first round of elections on 19 May, provided by the Supreme Electoral Board, give victory to Nebot with a difference of just over 20,000 votes.

Polibio Cordoba, director of the polling company "Cedatos," after protesting the constitutional prohibition to release the polls two months before the elections, said today the trend of between 12 and 15 points (in favor of Bucaram), has been reduced. The confrontation will be much closer between Bucaram and Nebot.

Paraguay

Paraguay: Wasmosy, Sanguinetti Sign Joint Declaration

PY1406192796 Asuncion NOTICIAS in Spanish 12 Jun 96 p 8

[FBIS Translated Text] On 11 June, Paraguayan President Juan Carlos Wasmosy and his Uruguayan counterpart Julio Maria Sanguinetti signed a joint declaration at Government Palace. Later they met with Paraguayan and Uruguayan businessmen at the Guarani Hotel. Wasmosy stated that the implementation of the agreements depends on private businessmen, as the governments can only pave the way to promote them.

The two presidents stated that democracy is the only way to achieve sustainable development, and political and economic stability. They also noted the need to implement education, cultural, and technological cooperation agreements. Wasmosy agreed to comply with the Uruguayan Government's request to "allow Uruguayan applicants to train as pilots on Paraguayan ships, as well as to eliminate the need to reserve hold space in Paraguayan ships and consular intervention on river traffic, and to analyze the possibility of contracting Uruguayan crews for Paraguayan ships."

They also agreed to increasingly encourage tourism and to assess the possibility of sending Paraguayan children affected by heart ailments to Uruguayan specialized institutions.

They considered the possibility of exporting Paraguayan energy to Uruguay through ANDE [National Electric Power Administration], for which meetings will be held in July.

They spoke of the need to strengthen Mercosur [Common Market of the South], and condemned terrorism, corruption, drug trafficking, and drug money laundering. They agreed to seek mechanisms to detect, prevent, punish, and eradicate corruption. The document says: "Corruption weakens a legitimate democracy and becomes a disintegration element that distorts the political and socio-economic system."

The two presidents also signed other documents.

Paraguay: Oviedo Admits Recording Wasmosy Conversation

PY1706165696 Buenos Aires TELAM in Spanish 1438 GMT 15 Jun 96

[FBIS Translated Text] Montevideo, 15 Jun (TELAM-SNI) — In a report published by a local magazine here today, Paraguayan General Lino Oviedo, 53, who was removed by Paraguayan President Juan Carlos Wasmosy, has implicitly admitted having planted microphones at the presidential residence.

Oviedo, who has been indicted for crimes against the established authority and public order, told the Montevideo weekly POSDATA that he has a recording of a private conversation between Wasmosy and Uruguayan President Julio Maria Sanguinetti.

Oviedo showed the journalist who interviewed him a tape on which he recorded a conversation between the two presidents this week in Asuncion, during Sanguinetti's official visit.

The general asked the journalist to tell President Sanguinetti "how things stand in Asuncion, as one has many friends there."

The rebellious general, who was removed by Wasmosy following the institutional crisis in April, confirmed he has access to high-level confidential diplomatic information and even the opinions of Wasmosy and Sanguinetti on relations with the United States.

Oviedo said that while the Paraguayan president eulogized the policies of Washington, the Uruguayan president critically viewed the administration of President Bill Clinton.

Oviedo also disclosed that Wasmosy allegedly announced his future plans to Sanguinetti, telling the Uruguayan president: "I will indict him and strip him of his military rank."

Oviedo was interviewed for the three days before the Paraguayan courts indicted him over the incidents between 22 and 25 April.

During the long report, Oviedo described his disagreements with Wasmosy and voiced his opinion of the institutional problem. He announced that he would become the next president of Paraguay.

Paraguay: Brazilian Magazine on Coup Attempt in Apr

*PY1706143196 Madrid EFE in Spanish
1854 GMT 16 Jun 96*

[FBIS Translated Text] Rio de Janeiro, 16 Jun (EFE) — Paraguayan President Juan Carlos Wasmosy made a secret visit to Brasilia on 20 April to ask his Brazilian colleague Fernando Henrique Cardoso for "guarantees and forces to resist a possible coup attempt," which General Lino Cesar Oviedo unleashed two days later.

Information released by Brazilian Government sources to the weekly ISTOE, which hit the streets on 16 June, state that Brazilian Ambassador to Asuncion Marcio Paulo de Oliveira Dias convinced Wasmosy — who was at the U.S. diplomatic mission — to destroy a letter tendering his resignation, which early on 23 April was ready to be submitted to Congress.

The report cites Oliveira Dias, Deputy Foreign Minister Sebastiao do Rego Barros, and other Cardoso administration officials.

The day of the uprising, 22 April, Brazilian Army Minister General Zenildo Zoroastro de Lucena phoned Oviedo to warn him that his country "would react to any rupture of the state of law" in Paraguay.

ISTOE notes that Cardoso and his advisers did not consider a military response, but designed a plan to promptly asphyxiate the Paraguayan economy.

In addition to the expulsion from the Common Market of the South (Mercosur), of which Argentina and Uruguay are also members, Paraguay was to have suffered the closure of the "Friendship Bridge" joining its territory with Brazil, and the closure of the ports of Santos and Paranagua to Paraguayan products.

As a "merciful blow," the Brazilian Government also planned to discontinue payments for the supply of electrical power from the Itaipu binational enterprise, the world's largest hydroelectric power plant, from which Paraguay obtains 26 percent of its budget.

This information was disclosed following the publication in Paraguay at the end of May of a book entitled "The Decline of the Horseman," which — among other things — emphasizes that Ambassador Oliveira Dias asked Wasmosy to resign "to avoid bloodshed."

In reaction to the book, written by Paraguayan journalists Edwin Britez, Ignacio Martinez, Carlos Peralta, and Nestor Escobar Franco, several Brazilian Government officials unveiled details — so far unknown — of the Brazilian participation in the stifling of the coup attempt by Oviedo, who has been under arrest since 14 June at a garrison in Asuncion.

ISTOE states that Wasmosy on 20 April made a secret visit to Brasilia, without asking for congressional authorization to leave his country.

On the previous day, Wasmosy dismissed Oviedo from the post of Army commander. Wasmosy feared that his decision might cause a military insurrection, possibly on 24 April.

Wasmosy's apprehension occurred two days earlier, but his meeting with Cardoso at Alvorada Palace (the presidential residence) — which lasted two and a half hours — alerted them to an imminent coup in his country.

A few hours after Oviedo went to ground at his headquarters, threatening to raid the presidential palace, and after being rejected by the governments of the United States and of the three Mercosur partners, the Brazilian Army Minister strengthened his country's reaction.

At 2230 Brazilian time on 22 April (0130 GMT on 23 April), Wasmosy phoned Cardoso to say that "everything was under control."

The reconstruction of the events shows the situation underwent a radical change three hours later, when Wasmosy — invited by U.S. Ambassador Robert Service — went to the U.S. Embassy.

Oliveira Dias arrived a few minutes later and found that Wasmosy, with a tense expression, was sitting at a table on which there was a sheet of paper.

"You should not do that," the Brazilian ambassador said.

"I want a solution that will cause no violence," the president responded.

Oliveira Dias contacted Acting Foreign Minister Sebastiao do Rego Barros who, after learning about the situation, asked if it would be prudent to wake Cardoso.

"It will not be necessary if I can give the necessary guarantees," the ambassador said.

"President Wasmosy will have such guarantees," do Rego Barros concluded.

The ambassador told ISTOE that they suggested to Wasmosy "that he should submit not a resignation but a vague and imprecise request for leave that Congress would be unable to study."

Oviedo handed over the post of Army Commander at noon on 23 April, convinced he would be designated defense minister.

On 14 June, Cardoso designated an "emergency cabinet" made up of two military ministers, the strategic affairs secretary, and the Foreign Ministry secretary to follow the developments in the neighboring country, which concluded with the transfer of Oviedo to the jurisdiction of the military courts to face charges of uprising.

Paraguay: Report on Wasmosy Seeking Cardoso Support Denied

PY1806004796 Asuncion ULTIMA HORA in Spanish 17 Jun 96 pp 2-3

[FBIS Translated Excerpt] It was confirmed this morning that President Juan Carlos Wasmosy paid a private visit to Brazil on Saturday, 20 April, on the eve of the institutional crisis. Government spokesmen, however, denied that he met with his Brazilian counterpart, Fernando Henrique Cardoso, to ask him for his government's support to thwart a possible coup d'etat by General Lino Cesar Oviedo, who at that time was Army commander, because he was going to be relieved from his post.

A Spanish EFE press agency report yesterday, datelined Rio de Janeiro, states that the Brazilian Sunday magazine "ISTOE," in its 16 June issue, publishes information by Brazilian Government sources asserting that Wasmosy asked Cardoso "for guarantees and forces to face a possible coup," which took place two days later.

Congress and the Presidency of the Republic today disclosed the contents of two notes addressed to Senate Chairman Milciades Casabianca and Supreme Court President Raul Sapena Brugada by Wasmosy informing them about his private trip to Brazil on 20 April.

The first of the two messages explains that he was planning to travel on 21 April, and the second one notes that due to "force majeure" he was traveling a day earlier. Wasmosy's official spokesman, Edward Bogado, was not able to explain the reason for the chief of state's trip although, unofficially, it was learned at Government Palace that the meeting did in fact take place.

This shows that the threat of a coup d'etat because of General Oviedo's relief was a fact and that in view of this the necessary measures, even at a regional level, were taken.

Domestically, the arrangements for the relief of the ambitious Army commander started at noon on 18 April. On that occasion President Wasmosy informed General Silvio Noguera, commander of the military forces, and Navy Commander Carlos Lopez Moreira and Air Force Commander Cesar Cramer that he was going to relieve Gen. Oviedo on 22 April. [passage omitted]

Edward Bogado asserted this morning that the details of the thwarted coup d'etat revealed by ISTOE are inaccurate and illogical in some cases.

The presidential spokesman said: "Before anything, it is up to the president of the Republic to explain the reasons for his trip to Brazil because it was a private visit. Moreover, it was no mystery because the Supreme Court of Justice and Congress were duly informed about it."

Bogado labeled illogical the mentioned magazine's report that during his visit Wasmosy informed Fernando Henrique Cardoso about the dismissal of former Army commander Gen. Lino Oviedo.

Bogado went on to say: "What that magazine published is impossible because the president did not travel to Brazil after relieving Oviedo because this only happened three days later. In truth the report is full of inaccurate information such as the fact that the president intended to resign and that Brazilian Ambassador Marcio de Oliveira Dias prevented him from doing so."

Paraguay: Wasmosy Interviewed on Apr Crisis

PY1806033896 Asuncion Red Nacional de Television in Spanish 0000 GMT 18 Jan 96

[FBIS Translated Text] In exclusive statements to Radio Cardinal, the president of the Republic shed light on some issues still not sufficiently clear regarding the serious institutional crisis that shook the Republic when [former Army Commander] General Lino Oviedo, currently under arrest by judge's orders, disobeyed the order relieving him from his post and tried to convince the president to resign.

Since the interview granted to reporter Victor Benitez lasted more than three hours, we will broadcast excerpts of the chief of state's statements and in future programs we will report other highlights of the official version of what happened last April.

The president of the Republic, during an exclusive interview granted to Victor Benitez, who works for Cardinal Radio station, revealed more details of the crisis that shook the country last April.

The chief of state disclosed that his disagreements with Gen. Oviedo started in December 1994 when, in his absence, Gen. Oviedo — who was then Army commander — tried to order the transfer of Gen. Carlos Ayala from his post as commander of the 1st Infantry Division to a Division headquartered in the Chaco region or his retirement. Since then, disagreements continued to grow until Oviedo tried to interfere in state affairs that were the exclusive prerogative of the president of the Republic.

Wasmosy also denied having any personal economic interest in the construction of a new bridge over the

Parana River and showed documents in this regard to prove that the plan was to build infrastructure for the town of Presidente Franco.

He also said he had asked Conempa [Consortium of Paraguayan Construction Companies] that, in order to safeguard his image, it refrain from participating in the call for bids for the construction of the bridge.

[Begin Wasmosy recording] The time came when, as I have already said before, one single plane could no longer be flown by two pilots. There is always one pilot and one copilot. Let us recall what happened on 22 April. I summoned Oviedo early that day. He appeared at Government House at 0800 and I explained to him that there were two ways out: Either he left through the front door or he staged a coup. In sum, we were threatened with an assault, that we were going to be bombed, seized, in sum, we received ugly threats, and the Paraguayan people were here [outside Government House, expressing their support for Wasmosy]. So I thought: What could happen now? Could they come by land? I can assure you the tanks were not going to be deployed. He had it all carefully planned and the tanks were not going to be mobilized. But mortars could have been fired in this direction.

[Benitez] What is the story about the tanks, Mr. President?

[Wasmosy] We have resorted to strategies to avoid....

[Benitez, interrupting] You didn't load sand in the gas tanks of the tanks, did you?

[Wasmosy] Journalists also have certain strategies and techniques to obtain information.

[Benitez] Naturally.

[Wasmosy] Please let me safeguard the details.

[Benitez] But it's extremely important, Mr. President. What did you do? Did you bribe those driving the tanks...

[Wasmosy, interrupting] No, no.

[Benitez] Did you damage the tanks, did you spread tire busters?

[Wasmosy] No, no. We were not going to fall into the 2-3 February trap [reference to 1989 coup], that is all I can tell you. This is why I told my guards that they were not to fire a single shot should they come here. That they were to let them come for me if they wanted to take me. That they be allowed to come fetch me.

[Benitez] In other words, the tanks were going to come, go around and point in the opposite direction?

[Wasmosy] I don't know. I don't know what they could have done because Oviedo's plans...

[Benitez, interrupting] But you were going to allow the tanks to come up to here?

[Wasmosy] All I can tell you is that they were not going to arrive here easily. But there was also the other threat. You are also aware of the great rivalry between the Cavalry and Air Force. The Air Force men were just waiting for my order to come and pulverize the Cavalry. But I didn't even have that in mind. I did not want any blood shed due to this problem. [end recording]

It has been fully confirmed that President Wasmosy went to Brazil a few days before Oviedo's thwarted coup. Congress Chairman Casabianca confirmed that Wasmosy informed him about his trip.

Congress Chairman Milciades Rafael Casabianca confirmed that President Wasmosy, as is his duty, sent him a note to inform him about his trip to Brazil on 20 April, 48 hours before the alleged coup d'etat.

[Begin Casabianca recording, in progress] ...He said it was a private visit. We did not investigate whether or not that was the case. We merely received and filed the note. I believe the note was effectively sent on 19 April.

[Unidentified reporter] Did he go to meet with the Brazilian president?

[Casabianca] That is what I heard but we can't say anything because the note says nothing. [end recording]

Although Casabianca did not comment on the reasons for the trip, it was leaked that Wasmosy went to Brazil to request the Brazilian Government's cooperation in face of an imminent coup d'etat.

Paraguay: 'Wasmosy Out' Campaign Launched in Asuncion

PY1406174596 Asuncion NOTICIAS in Spanish 9 Jun 96 p 7

[FBIS Translated Text] The national "Wasmosy Out" campaign was officially launched on 8 June during a ceremony outside the Pantheon. Representatives from political parties, and social and education sectors delivered speeches to demand the exit of President Wasmosy.

Workers Party leader Eduardo Arce was the first to speak. He said they will continue to work to get Wasmosy out and thus install a government that will deal with social problems. He said the current government will be removed only through mobilizations. He noted that the objective of the campaign is to remove Wasmosy.

Another speaker said the national campaign has been initiated to end corruption. Labor union leader Gabriel Cardozo said: "This thief should be sent where he belongs; that is, the Tacumbu prison, because everything has been a fraud. This is why organizations support the initiative."

Besides these people, leaders like Senator Carlos Romero Pereira, of the Colorado Party; and Basilio Nikiphoroff and Anibal Carrillo Iramian, the National Encounter Movement candidates for mayor, attended the gathering. The "Wasmosy Out" campaign is being sponsored by "Coco" Arce, Ricardo Canese, Roberto Paredes, Gabriel Cardozo, and representatives of the Youth Federation.

Carrillo Iramain said the people are tolerating an obviously improvised and a completely inexperienced president. He added that the people do not deserve to have a government handled by a clique.

Romero Pereira said he does not only charge Wasmosy with "being a thief, but that he urges the people to mobilize against the corrupt structure of the State."

Peru

Peru: Visiting Salvadoran President Addresses Congress

PY1706130496 Madrid EFE in Spanish
0201 GMT 14 Jun 96

[FBIS Translated Text] Lima, 13 Jun (EFE) — Salvadoran President Armando Calderon Sol, who began a two-day state visit to Peru today, was received with honors by the Peruvian Congress, which paid tribute to the visiting head of state.

Having recalled the participation of illustrious Peruvians in the Salvadoran pacification process, Calderon underscored the similarities between the Salvadoran and Peruvian economic modernization processes during a solemn session of Congress.

The Salvadoran president stated: "On behalf of the Salvadoran people, I would like to publicly acknowledge the traditional ties of friendship existing between sister nations and the structural transformation that is being effected along the path to peace and the development of the Peruvian people."

Calderon recalled that the peace process between El Salvador and Honduras was signed in Lima in 1980 through the good offices of former Peruvian President Jose Luis Bustamante y Rivero, and mentioned the contribution of other Peruvians; namely, Javier Perez de Cuellar, Alvaro de Soto, and Diego Garcia, in the peace and reconciliation process in El Salvador.

Referring to Peru's current situation, the Salvadoran chief executive said that over the last few years, "Peru has achieved stability and has rescued its life-style, its values, its principles, peace, harmony, and concord once again under democratic rule."

In concluding, Calderon pointed out that El Salvador "has also embarked on that path and has taken that same course."

Peruvian Congress President Martha Chavez asserted that Peru and El Salvador have achieved "the long-sought pacification of their territories after having suffered the tragedy of seeing continuous bloodshed due to internecine wars between their peoples."

Chavez underlined: "This is why I sincerely believe that your visit and the agreements to be signed in the course of your visit will not become a dead letter."

After visiting Congress, Calderon was made freeman of the city of Lima by Lima Mayor Alberto Andrade, who also presented the Salvadoran president with the keys to the city at the Lima Town Hall during a solemn session of the city council.

Andrade stated that these honors were conferred on the distinguished visitor "in recognition of his endeavors to achieve peace and development in El Salvador."

Also attending the solemn session were all the aldermen of the Lima City Council, ministers of state, and mayors of Lima districts, members of the diplomatic corps accredited to Peru, and numerous well-known public figures.

In expressing gratitude for the decorations presented to him, Calderon stated that El Salvador and Peru "find themselves at a historic juncture, since all the sufferings they underwent in the past are being reversed while at the same time a modernization process has been instituted."

Salvadoran Foreign Minister Ramon Gonzalez and his Peruvian counterpart Francisco Tudela signed five bilateral agreements and exchange notes in which both countries' governments committed themselves to strengthening bilateral ties.

One of the agreements signed at the Torre Tagle Palace, seat of the Peruvian Foreign Ministry, pertains to the protection and promotion of private investments; another one provides for the elimination of visa requirements between both nations, and three others have to do with mutual assistance in judicial and criminal matters, scientific and technological cooperation, and cooperation between both countries' Customs.

Peru: Ecuador Accused of 'Disinformation Campaign'

PY1706162496 Lima LA REPUBLICA in Spanish 13 Jun 96 p 3

[FBIS Translated Excerpt] A spokesman of the Peruvian Armed Forces Joint Command yesterday said that about 3,000 heavily armed Ecuadoran troops are being mobilized toward the border with Peru. This operation is part of the new "disinformation campaign" launched by the Ecuadoran military leadership, seeking to confuse and shock the diplomatic representatives from Peru, Ecuador, and the four guarantor countries who are slated to meet next week in Argentina.

The meeting in Buenos Aires will discuss Article 6 of the Itamaraty Peace Declaration.

Peruvian Foreign Minister Francisco Tudela yesterday emphatically confirmed this and supported the Peruvian military position which categorically states that landmarks 13, 14 and 15 are outside the demilitarized zone.

The military spokesman warned Peruvian and Ecuadoran Governments not to become warmongers but to continue the peace negotiations which will help to achieve a sustained, overall, and harmonious development of Latin American countries.

He remarked that the Peruvian military hope the negotiations on the Itamaraty Peace Declaration will conclude in a satisfactory manner as soon as possible because only then will our two countries live in peace.

He added that the statement by General Jorge Ortega, chief of the Ecuadoran Armed Forces Joint Command, about an alleged incursion of Peruvian troops in the demilitarized region, is part of a disinformation campaign like the one launched during the Cenepa conflict which sought to convince people that Ecuador was the victim and Peru the aggressor.

The spokesperson said that this time around, the Ecuadoran military are trying to undermine the meeting that Peruvian Foreign Minister Francisco Tudela and Ecuadoran Foreign Minister Galo Leoro are scheduled to hold on 18 and 19 June with representatives of the guarantor countries.

During a closed-door meeting at the Foreign Ministry in San Borja, the high-ranking official told LA REPUBLICA that the campaign by the Ecuadoran military simply refuses to accept that all the points pertaining to military issues included in the Itamaraty Peace Declaration have already been discussed and resolved.

He said: I dare say there is a misunderstanding between Ecuadoran diplomats and the military because a few days ago Foreign Minister Galo Leoro categorically stated that military issues have already been resolved.

He insisted in that the only pending issues are the so-called subsistent impasses in Point 6 of the Itamaraty Declaration.

The spokesperson said he has information that in his need to draw the attention of the international community, Gen. Ortega ordered the mobilization of 3,000 strongly armed men to the border region.

Although we insisted in knowing the exact location of these troops, the Peruvian officer preferred not to discuss this issue alluding that it is part of military strategy.

He said, however, that Peru is alert and following the developments from Watch Posts 5 de Noviembre, Inicial, and Mogote Sur, also known as landmarks 13, 14, and 15, respectively; which are outside the demilitarized zone and where Peru keeps a necessary number of soldiers with the sole purpose of safeguarding the area.

The Peruvian military officer said: I repeat, the mission of these soldiers is to exclusively safeguard these posts, that is, they are stationed within the area of competence and are not violating the demilitarized zone.

He remarked that soldiers were stationed at these landmarks even during the Ecuadoran-Peruvian military negotiations, and that Gen. Jorge Ortega was perfectly aware of this.

He added that it is incredible that Gen. Ortega has adopted such an attitude because during the meetings held with General Nicolas Hermoza Rios, chairman of the Peruvian Armed Forces Joint Command, he always expressed support for the agreements achieved. He was never against having Peruvian troops stationed at these landmarks because he is perfectly aware that this is Peru's sovereign right. [passage omitted]

Peru: Sailors Sentenced for Selling Secrets to Ecuador

PY1806034696 Lima America Television Network in Spanish 0100 GMT 18 Jun 96

[FBIS Translated Text] By a majority verdict, the Supreme Court for Military Justice today found Holger Hernan Moran Cruz, master technician 3d class of the Peruvian Navy, and Peruvian Navy Corporal Santos Agustin Cruz Dioses guilty of high treason and sentenced them to life imprisonment. Over a period of several years, Moran Cruz and Cruz Dioses sold confidential information on national defense to Ecuador. Both convicts will also have to pay to the Peruvian state an indemnification of 500,000 new soles.

At the time of the vote, two members of the Supreme Court for Military Justice demanded the death penalty for the two former military men.

Peru: Police Placed on 'Maximum Alert' in Lima, Callao

PY1706150196 Lima LA REPUBLICA in Spanish 14 Jun 96 p 8

[FBIS Translated Text] The National Police have placed all operational units on maximum alert in Lima and Callao, and ordered some 3,000 police troops to patrol the streets continuously and to increase security in public and private organizations to prevent possible surprise attacks by the Shining Path extremist group.

The National Counterterrorism Directorate [Dincote] has also intensified its intelligence operations, seeking to dismantle the metropolitan annihilation command of the PCP-SL [Peruvian Communist Party-Shining Path] that murdered one Huaycan leader and damaged the offices and main storage buildings of the Shell-Mobil company.

It has been learned that two of the murderers of leader Pascuala Rosado Cornejo have been arrested in downtown Lima. They are being questioned by Dincote agents along with four other presumed Shining Path members who were arrested in different points of the capital.

Moreover, Interior Ministry sources have revealed that agents of the Dincote Delta 1 group left for the northern part of Lima because there are indications that two members of the Japanese Red Army are hiding in the town of Huacho.

The police are increasing operations in the eastern zone, especially in Huaycan where four Shining Path cadres, members of the Red Path headed by Oscar Alberto Ramirez Durand, alias Feliciano, are reportedly preparing large-scale attacks.

The terrorists' objective is reportedly to celebrate, with criminal actions, the 10th anniversary of the massacre of 300 Shining Path terrorists in Lima prisons. This massacre was perpetrated on 18 and 19 June 1986.

A Dincote source said the police want to find the 40 vehicles stolen over the past 48 hours in Lima and Callao, because it is believed that some of them could be used as carbombs.

A Dincote officer urged the citizens to immediately report any suspicious actions.

Some 530 subversives have been arrested throughout the country over the past six months, 479 of whom are active members of Shining Path and 51 belong to the Tupac Amaru Revolutionary Movement.

Peru: Fujimori's Popularity Rating Shows Increase

PY1806003596 Lima EXPRESO in Spanish 10 Jun 96 p 3

[FBIS Summary] The results of the latest public opinion poll conducted by the Analistas y Consultores company in June show that 59.8 percent of those surveyed approved of the Fujimori administration. The article says that while public opinion polls conducted by other companies obtained similar results, namely an approval rate of approximately 59 percent, Analistas y Consultores' June survey may be showing a shift in the trend of the popularity of the head of state, since the latter increased by 4 percent on May.

As regards Peruvians' preferences for the presidential elections to be held in the year 2000, Analistas y Consultores found that 27.8 percent of those polled said that President Alberto Fujimori would be their choice as president, while 26.5 percent chose Luis Castaneda Lossio, former president of the Peruvian Social Security Institute, and 22.3 percent opted for Lima Mayor Alberto Andrade.

Analistas y Consultores also surveyed the public's opinion of the privatization of the State Petroleum Agency. The poll found that half of the survey sample — 47 percent — continued to believe that Petroperu ought not to be privatized, whereas two-fifths — 40 percent — were in favor of its privatization. This shows a favorable change of opinion, since in previous months opposition to Petropar's privatization exceeded 70 percent.

Uruguay

Uruguay: Sanguinetti Suspends Work Due to Illness

PY1506020796 Madrid EFE in Spanish 1454 GMT 14 Jun 96

[FBIS Translated Text] Montevideo, 14 Jun (EFE) — Official sources have reported that Uruguayan President Julio Maria Sanguinetti suspended his official activities for three days. The suspension is in line with his doctor's recommendations due to a throat problem that has affected him for several days and that started during his official visit to Paraguay.

Sanguinetti visited Asuncion between 10 and 12 June. His throat problems and loss of voice were reportedly due to the sudden change of temperature when returning to Uruguay's autumn after the humidity and heat of the Paraguayan capital.

The discomfort increased due to the air conditioning in most places visited by Sanguinetti, which even forced him to suspend a speech in Asuncion.

Upon returning to Montevideo the president had meetings with Lorenzo Olarte, vice president of the Canary Islands Autonomous Government (Spain), and Latin American university rectors, among other official activities.

His activities aggravated his problem, and yesterday Sanguinetti had to consult with his private doctor, who recommended a suspension of activities until 17 June in order to look after his vocal cords.

Venezuela

Venezuela: Minister Denies Colombian Missiles Shipped

PA1506131596 Caracas Televen Canal 10 in Spanish 1600 GMT 13 Jun 96

[Report by Pedro Prado from the "El Noticiero" newscast]

[FBIS Translated Text] The Venezuelan foreign ministry has denied that Colombian missiles are being shipped to the border with Venezuela. Colombian authorities in Venezuela have confirmed this report.

Venezuelan Deputy Foreign Minister Milos Alcalay has officially denied any knowledge of a report by Zulia Governor Francisco Arias Cardenas saying that Colombian high-technology arms have been shipped to the border with Venezuela and not entirely for the purpose of combating guerrillas.

[Begin Alcalay recording] There is no confrontation over this report. Quite the contrary. The two countries' actions have been complementing each other. [end recording]

Julio Cesar Turbay Quintero, Colombian senator and member of the Colombian parliament's international affairs and national defense commission, flatly denied the report on arms shipment. He did, however, find the Venezuelan Government's position regarding the border problems contradictory.

[Begin Turbay Quintero recording] Colombia, honoring in a friendly manner its neighbor's request, has transferred forces to the common border. It appears contradictory to me that compliance with this very request is being regarded as an aggression. We are far from desiring a conflict with Venezuela. [end recording]

Despite their common problems, neither Colombia nor Venezuela has been reported to begin an arms buildup over the past few years. It will be necessary to wait for the Venezuelan defense minister's reaction to the Zulia governor's remarks.

Venezuela: Foreign Fishing Boats Not Considered Invasion

PA1506122796 Madrid EFE in Spanish 2258 GMT 10 Jun 96

[FBIS Translated Text] Caracas, 10 jun (EFE) — The Venezuelan Government pointed out today that territorial violations by neighboring countries' fishermen cannot be considered "invasions."

Venezuelan Foreign Minister Miguel Angel Burelli has rejected the interpretation that the illegal presence of Colombian vessels in Venezuelan waters is an invasion. He confirmed that such violations are frequently made by both countries.

Several opposition deputies pointed out that some Colombian fishing boats are trying to fill the void left by part of the Venezuelan fleet about 20 days ago when it was unable to leave port due to the strong increase in the price of gas oil.

"This is not only happening with Colombian boats but also with those of Guyana and Trinidad," said Burelli recalling that Venezuelan vessels are also implicated in violations of neighboring territorial waters.

Minister Burelli was referring to Colombian boats detained last week and pointed out that their release will take place once the legal procedures are completed and the corresponding fine paid.

On the subject of fines, the foreign minister disagreed with the amounts imposed by Venezuela. In his opinion, they are well below those applied by neighboring countries.

"Our fines are very low. That is why I have asked for them to be raised to the level of those imposed on our own fishermen when they are detained," said Burelli.

The foreign minister spoke on the problem of the planes stolen in Venezuela and taken to Colombia. Government institutions from that country have used the planes from the moment they were confiscated from those who took them there, mainly drug traffickers.

"It is inconceivable that this matter has not been resolved," said Burelli in reference to the unproductive negotiations with Colombian authorities to recover the planes.

Minister Burelli said that he could not show any positive results even though Venezuela has gone through every legal channel and has sent numerous notes to the Colombian Government to have the airplanes returned to their owners.

Venezuela: Two Arrests Follow Recent 'Subversion'

PA1706043396 Caracas Venezolana de Television Network in Spanish 0230 GMT 12 Jun 96

[Report by Mileasky Oropeza]

[FBIS Translated Text] Regarding the acts of subversion that recently took place in our capital, the Disip [Directorate of Intelligence and Prevention Services] has arrested two people allegedly involved in these incidents. This was reported by Disip Director Detective Rafael Rivas Ostos.

In this meeting, it was ruled out that common crime, students, transportation companies, Chavez, or even the government had anything to do with the burning of buses and acts of subversion carried out in Caracas a few days ago.

Disip Director Rafael Rivas Ostos stated that two people connected with labor unions and extreme left groups have been arrested.

[Begin recording] [Rivas Ostos] These two individuals who are being turned over this afternoon to the PTJ [Judicial Technical Police] have been arrested two or three times by Disip.

[Unidentifed reporter] Why were they arrested in the past?

[Rivas Ostos] For that same reason.

[Unidentified reporter] Why were these people then set free, considering the fact they are very dangerous?

[Rivas Ostos] Because the charges against them were not fully corroborated. [end recording]

Deputy Julio Elias Mayaudon, chairman of the Interior Policy Commission, has also denied the participation of the 200 Revolutionary Bolivarian Movement [MBR-200] in the incidents, but said that until recently, these rebels were MRB-200 members.

[Begin Mayaudon recording] These groups had rejected these persons and they were acting individually. [end recording]

Vladimir Villegas, chairman of the Congressional Human Rights Committee, has not ruled out that (Ramiro Elmeyer) and his group of financial terrorists may be operating even behind bars. Consequently, he proposed that the Disip focus the investigation on that sector and not against the residents of 23 de Enero neighborhood.

[Begin Villegas recording] I cannot understand police intelligence and the search of those responsible, if they always concentrate on the same people. I tell them, investigate those people who placed bombs some years ago in the times following Perez' downfall. Search those possibilities that may contain some specific clues. [end recording]

However, just in case, the government has already implemented an anti-rebel plan.

[Begin Interior Minister Jose Guillermo Andueza recording] If this phenomenon — which is beginning — is not eradicated completely, we could later face a more serious situation. That is why they have asked us to adopt strong measures to eradicate these outbreaks of violence and terrorism, which [words indistinct]. [end recording]

Meanwhile, the two people arrested will be placed under PTJ and not Disip custody, because they perpetrated a homicide against the couple that was burned to death inside one of the buses.

French Guiana

French Guiana: Ariane Places Intelsat-709 Into Orbit

PA1506131496 Paris AFP in Spanish 0846 GMT 15 Jun 96

[FBIS Translated Text] Kourou, French Guiana, 15 Jun (AFP) — On Saturday, Arianespace directors announced that the 87th European Ariane rocket launched from the Kourou Space Center in French Guiana successfully placed into orbit the Intelsat-709 satellite, which belongs to the International Telecommunications Satellite Organization (Intelsat). Arianespace is the firm that markets the European rocket.

The launcher, an Ariane-44P (Ariane-4 outfitted with four auxiliary gunpowder thrusters), which took off at 0655 GMT from the Kourou Space Center in French Guiana, released the satellite 20 minutes and 48 seconds later. All launching operations took place exactly on schedule.

This success takes place 10 days after the launching failure of Ariane-5, the new European prototype rocket, which was destroyed by an automatic pilot command error. Despite not being operational, the new rocket and Ariane-4 will be used alternatively until 1998-1999. Afterward, launches will be made using the Ariane-5.

The launch was initially planned to take place 48 hours before, but was postponed in order for the disappointment over the Ariane-5 explosion to ease.

This failure causes no disruption because Ariane-4 launches continue according to the Arianespace plans: 30 launches in three years, between 1995-1997.

With Saturday's successful launch, Arianespace confirms its broad leading position in the lucrative satellite launching market.

Intelsat-709, built by Space Systems-Loral in Palo Alto (California), is the eighth of the organization's VII series. Its role is to ensure 14 years of telephone communications and television programs in America, Europe, Africa, and the Middle East.

Intelsat-709 is the 13th satellite of the 17 entrusted to Arianespace by Intelsat, its best client. Its predecessor, Intelsat-707, was placed into orbit by Ariane on 14 March, one month after the loss of Intelsat-708, after the rocket carrying it exploded just after take-off. It was the first Chinese Long March-3B rocket.

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